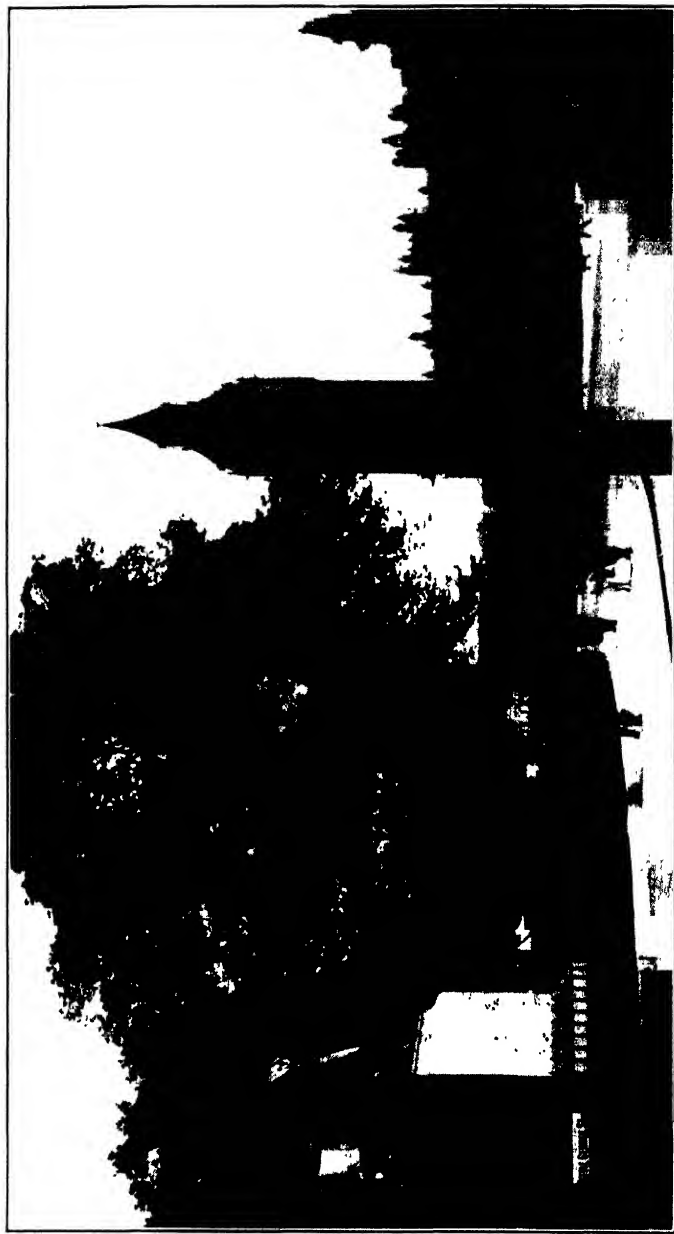


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INDUSTRIAL AND
LABOUR RELATIONS
IN GREAT BRITAIN

WITH MALICE TOWARD NONE



Eating Galloway

“ . . . government of the people, by the people, and for the people, shall not perish from the earth.”—A. Lincoln.

INDUSTRIAL AND LABOUR RELATIONS IN GREAT BRITAIN

A SYMPOSIUM

Edited and Published by

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of the Gannett Newspapers

and

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DEDICATED
TO
MEN AND WOMEN OF TWO CONTINENTS
WHO
LABOUR WITH BRAIN AND BRAWN THAT THE
WORLD
MAY BE CLOTHED AND HOUSED AND FED
AND
ENJOY A MODICUM OF COMFORT

“GIVE PEACE IN OUR TIME, O LORD.”

*Mr. Baldwin in the House of Commons. Parliamentary Debate,
6th March, 1925.**

. . . “The workmen’s organisation is formed to see that under the conditions a workman cannot get his living in a particular trade unless he belong to that union. An employers’ organisation is formed in that particular trade for the protection of the trade, and it has the result of effectively preventing any new man starting in that trade. . . . The whole tradition of our country has been to let Englishmen develop their own associations in their own way, and with that I agree. But there are limits to that. . . . As these associations come along and become more powerful, on whichever side they are, there may come a time when not only they may injure their own members—about which probably there would be a good deal of argument—but when they may directly injure the State. It is at that moment any Government should say that, whatever freedom and latitude in that field may be left to any kind of association in this free country, nothing shall be done which shall injure the State, which is the concern of all of us and far greater than all of us or of our interests. . . .

“There are few men fitted to judge, to settle and to arrange the problem that distracts the country today, between employers and employe. There are few men qualified to intervene who have not themselves been right through the mill, who themselves know exactly the points where the shoe pinches, who know exactly what can be conceded and what cannot, who can make their reasons plain; and I hope that we shall always find such men trying to steer their respective ships side by side, instead of making for head-on collisions. . . .

“Although I know that there are those who work for different ends from most of us in this House, yet there are many in all ranks and all parties who will re-echo my prayer: ‘Give peace in our time, O Lord.’”

* Milne-Bailey, *Trade Union Documents*, page 457.

FOREWORD

Recently great interest has been shown in this country in the British labor relations system. While we in America have had increased strife between employer and employee in industry, the British have been blessed with little of this conflict between capital and labor.

Because of the successful way in which this problem has been handled in Great Britain, President Roosevelt sent a special commission to England to study the situation there. Long before this action had been taken, however, I had planned to make a personal study of the question in the hope that I might help find a solution to the problems which have beset industry in the United States.

Associating with me an experienced economist, Dr. B. F. Catherwood of Ithaca (N. Y.), a long, painstaking investigation was arranged. He and I visited England and had interviews with many key men.

Our experience made a deep impression on us. We saw the great need for more light on this problem. We felt that we could render a service by getting outstanding British leaders of employers and employees to give us an impartial, accurate presentation of their knowledge and experience on this subject. It seemed wise to present these articles in the form of a symposium. This volume is the result.

We are confident that labor and capital will both find these interesting articles full of valuable information and suggestions. We hope that this presentation of these views and facts

in this form will help leaders in industry and labor circles and the men in the ranks, to find a way to bring about a better understanding, a decrease in costly strikes and friction, and ultimately more prosperity and happiness for all concerned.

F. E. G.

ACKNOWLEDGMENT

This acknowledgment must be so incomplete; it is extended to include many men and women on both sides of the Atlantic whose names do not appear in these pages. These people, administrators, office-workers, executives, and governmental officials made a difficult study possible. Their splendid courtesy and willingness to help have been, at all times, greatly appreciated. Such a spirit becomes at once, not only a basis for helpful co-operation, but the groundwork for real international good feeling. As one individual in a humble capacity remarked, "After all we should all help." This willingness to "help" has been an inspiration.

Courtesies extended by officials of the Ministry of Labour, the Industrial Court, the Trades Unions and the Trades Union Congress; by individuals and executives in numerous conferences when all were busy but willing to "help" have been impressive; the effect extends farther than words indicate.

The willingness of the International Labour Office to co-operate, relative to the discussion by Dr. J. Henry Richardson, is referred to at an appropriate place in this volume; likewise the permission of the "Atlantic Monthly" to reprint by consent the discussion by Professor John Hilton.

The editors feel a deep obligation to those who have collaborated in these pages; there will be none who will question the validity of the discussions presented herein. They are presented by men and women on the firing line who know "what it all means"; but even so, their willingness to collaborate in this labour of love has entailed hours of arduous work for them

when other tasks were urgent. Each writer has told his own story in his own words.

The readers should keep in mind that much of this book has been written at a time when the writers were living and working under the shadow of a holocaust not yet dissipated.

We are convinced that the better and clearer understanding derived by American and English readers of the system of Industrial and Labour Relations of Great Britain and the ultimate changes which will result in our American relations will be an effective, though silent, tribute to these men and women.

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PART I

I.

HOW BRITAIN HANDLES HER LABOR PROBLEM

By FRANK E. GANNETT
of the Gannett Newspapers

ONE of the greatest obstacles to a return to prosperity in America is labor strife. In two years alone, 1935-36, forty-two million days of labor were lost in our country because of strikes. Not only did workers lose this vast amount of time and great income, but industry suffered still more by being unable to carry on the normal pursuit of business.

In strikes as in war everyone loses. Since labor disputes are always settled on some basis, it is better that they should be settled without strikes and the waste that strikes cause. As unfortunate is the loss in time and money, the ill feeling that develops out of prolonged labor disputes is worse.

As an employer, directly and indirectly, of several thousand employees I have long been interested in this problem. During a lifetime as a publisher, I have had to deal with only one real strike and that was not due to any direct action of mine. It arose from causes over which I had no control; in fact it developed just as I was acquiring a newspaper property and resulted from conditions in the other newspaper plants in the city with which I had nothing to do.

The increasing number of strikes in America during the past two years and the intense feeling that has developed in many industries prompted me to visit England to learn why that country has so few strikes and why industrial peace there gen-

erally prevails. I talked with employers and employees, with the heads of industries and the heads of unions. I visited plants and saw men at work. And I came to the conclusion that the British handle labor relations so much better that we should profit by their experience.

The present satisfactory situation in England came by a gradual development of attitude and procedures—many methods were results of trial and error. Collective bargaining has had a continuous history and development since the passage of the Combination Acts of 1824 and 1825. By 1888, there had been a vast growth in the number of workers' and employers' unions and a period of relative peace had already begun. This date may be said to mark the acceptance by employers generally of collective bargaining.

In years following, collective bargaining developed steadily. By 1910, there were 1696 collective agreements of a general character directly affecting 2,400,000 workers, but in addition there were a large number of workers whose working conditions and rates of pay were determined indirectly by these agreements.

The next twenty years saw an even greater growth of collective bargaining. In 1913 the railways industry adopted collective bargaining although national contracts were not signed until 1919. Much impetus was given to collective bargaining by reports of the Whitley Commission, created in 1916 to make a study of methods for permanent improvements in industrial relations. This commission made three important recommendations: enlarge the scope of operation of the Trade Board Act; create voluntary courts of arbitration; and third, establish national, district, and local councils of workers and employers for each industry.

The Whitley report contemplated an elaborate, uniform plan, but this result was not realized because many industries preferred to retain their already existing procedures. Since

then there has developed in each industry in which Whitley Councils have operated wide divergence in practice due to the different nature of each industry.

However, as a result of a campaign conducted by the Ministry of Labour from 1918 to 1921, over sixty of these councils were set up. While the original result intended was not obtained, there is no doubt that this campaign contributed to the creation of joint negotiating bodies and thereby to the present system of industrial relations in England.

By the beginning of the twenties, the system of collective bargaining in Great Britain had taken substantially its present form. One development that mars the picture is the general strike of 1926. But it was settled in nine days, and by most observers it was not considered the result of a breakdown of the system of industrial relations but rather a leftist political movement. Strangely enough this general strike of 1926 proved a great boon, for it brought home to everyone in England how absurd industrial warfare really is.

Statistics show that including the general strike 162,000,000 working days had been lost in England in 1926 as a result of lock-outs and strikes. Losses in trade and wages were enormous. In that one year, the aggregate time lost was considerably greater than during the whole period of fifteen years from 1905 to 1919. Employers and employees and the public—particularly the public—said that they had had enough of such costly experience and they set about to end it. An outraged public opinion also forced British politicians to realize that there is a power superior to the threats of any organized minority.

The Trades Disputes Act of 1927 was passed—because the British public was determined never again to tolerate the excesses of the general strike. Without prejudice, it might be well to state some of the provisions of this act. That remedial act clearly defines legal and illegal strikes. It outlaws strikes

to coerce the government or that inflict hardship on a community. It prohibits any form of picketing "calculated to intimidate or lead to a breach of the peace." It prevents the use of Union funds for political purposes unless with written consent of the workers who contribute such funds. It outlaws strikes and lock-outs outside of the trade or industry in which the employees or employers are engaged. Criminal penalties are provided for any person who declares, instigates, or encourages others to participate in or in any way further an illegal strike. However, the employee's right to quit work as an individual is specifically protected.

Trade unions are forbidden to deny rights to any one who has refused to take part in an illegal strike. While picketing is not declared to be absolutely unlawful it is made unlawful to picket any place for the purpose of inducing any person to work or abstain from working if they do so in such numbers, or otherwise in such manner, as to be calculated to intimidate any person in that house or place or to obstruct the approach or egress or to lead to a breach of the peace. This sweeping provision definitely limits the right to picket, although picketing has never been much used by English labor. Criminal penalties are provided, also, for the violation of this provision.

Government employees, with minor exceptions, are forbidden to belong to any trade union unless such union is composed solely of government employees and has no affiliation with any other union. Public authorities, national and local, are forbidden to make membership or lack of membership in a trade union a condition of employment. This prohibits the closed shop for government employees although protecting their right to organize.

Any national or local government employee who willfully breaks a contract of service knowing, or having reasonable cause to believe, that his so doing, alone or in concert with others, will cause grave danger or inconvenience to the community is

made liable to criminal prosecution. The effect of this is to forbid strikes in public service industries controlled or owned by the government.

Any person with a sufficient equitable interest, or the Attorney-General, may secure an injunction to restrict the expenditure of union funds for the purposes of an illegal strike as defined by this Act.

The general strike having cleared the air and crystallized public opinion and these legal restraints having been enacted there came an amazing change in the atmosphere. Employers and union representatives in increasing numbers sat around the conference tables. They found more and more that with a spirit of fairness on both sides, they could adjust almost any dispute. Steadily confidence in each other was developed.

While in England, I was told again and again by both employer and employee that America had made the mistake of not recognizing collective bargaining years ago. As I have pointed out there has been growing in England a greater and greater acceptance of the principle that the employees have a right to choose some of their number to negotiate for them. At the same time—and this is important—the employers organized and chose their representatives to deal with the workers. Both sides of a controversy, therefore, have come to have representation in all efforts to conciliate any question in dispute.

Let me emphasize this point: Collective bargaining as it is understood in England does not refer merely to negotiations between an individual employer and a single union, but rather to negotiations between an association of employers and an association of unions.

In America some employers still resist collective bargaining. Some of them say that they are not opposed to the principle of collective bargaining, but to the methods and demands of those who sought to make themselves the bargainers. In any event, there is no doubt that the principle of collective bargaining has

come to stay in America and sooner or later must be generally accepted as it has been in England.

In this connection it is interesting to note the action taken by the National Association of Manufacturers at their convention in New York in December, 1938. The platform of the organization has the following brief but significant reference to labor relations:

"Industry recognizes mutually satisfactory labor relationships as an essential to industrial efficiency and to the providing of more jobs and better living.

"Industrial management recognizes that employees who wish to bargain collectively are entitled to do so, in whatever form they determine, through their own freely chosen representatives, and without intimidation or restraint from any source.

"The disturbed labor relations which have existed during the past few years are a major obstacle to recovery. Industry pledges its full cooperation in whatever changes may be necessary to correct these conditions."

I believe that coercion must be eliminated on both sides. Samuel Gompers' idea of "voluntaryism" prevails in Britain. The typical viewpoint of large-scale employers in England who negotiate with trade unions as a matter of course, has been well stated by one of their leaders in part as follows:

"The British system is quite simple. It consists of the recognition on the one side of bona fide trade unions, and of well-organized employers' associations on the other. We settle the industrial conditions of employment by voluntary collective agreement between the employers' organizations and the unions.

"The intent throughout is to settle differences in a voluntary, democratic way. Only as a last resort and as an exception is the government called in and even then it seeks to preserve the voluntary nature of settlement.

"British labor organizations are reasonable. They play the

game, just as we do. We don't talk *at* each other. We converse *with* each other. In such a system you've got to have confidence on both sides. That is the key to the whole of British industry. Statutes are cold, soulless things. We feel that no amount of statutes can take the place of talking across the conference table as one man to another. Some obvious things, of course, must be done by statute, such as workmen's compensation, minimum wages for the sweated trades, and various other laws for the protection of work people."

All of this was borne out by what I saw in a large iron working plant. I talked to the workers. They felt that they were getting a square deal from their employers, and they said that they knew that if they weren't they had the opportunity to discuss the matter frankly with their employers. In this plant, I observed a zeal and enthusiasm on the part of the employees such as one does not always see in this country. Supervisors or superintendents were scarce. Every man was diligently at work, never loafing, never killing time. All were as busy as beavers, trying to turn out a full day's work.

I commented on this in talking with the head of the union. He hit the nail on the head when he said: "We realize that unless the company makes money, we can't have good wages or even employment. We want the company to prosper. We want a fair deal from our employers. We are getting fair treatment and we're satisfied with our wages. We feel we are as much concerned over the prosperity of the company as is anyone in the management. We all dig in to make it go, and we are a happy family."

Of course, in America there are many plants where employers and employees are mutually interested and happily working together for the same results. But, on the other hand, in some of our great industries there is such a conflict of interests—or at least a feeling of antagonism has been created by advocates of "class warfare"—that the men do not work whole-

heartedly for the company. Too often employees have been led by deliberate misrepresentations to believe that the company does not treat the workers with sympathetic consideration. And sometimes, such accusations have been true. Yet I see no reason why these misunderstandings and misrepresentations cannot be eliminated in America as they have been almost entirely in British labor relations.

I found both employer and employee in England unwilling to have the government step in and complicate their relations. Only when it is impossible to reach a settlement of some dispute, do the parties to the controversy call in an arbitrator. And only as a last resort is there an appeal to a government official. The government is always ready to offer assistance, but prefers to keep out of the controversy until its arbitrator is needed.

In America we have attempted a different policy. We have permitted the government to assume authority and it has tried to adopt compulsory methods instead of using the British voluntary system.

The Wagner Labor Relations Act was said by its sponsors to be designed to promote peace in industry, but it has had the opposite effect. True, it has brought about compulsory acceptance of trade unionism in every case where the employees vote for it, but the detail specifications in regard to the manner of voting for labor representation, the restrictions put upon the employers, and the one-sided arrangement set up have done much to develop ill feeling rather than confidence and friendly relations.

There are of course some good provisions in the Wagner Act but there are so many objectionable features that it must be materially amended if we are to have industrial peace.

What the British have done we Americans can do and should do. If they can reduce strikes to a minimum over there, we can do it here. If trades unions have the confidence of em-

ployers in England, they can have the confidence of employers in America. Nothing in the situation here prevents us from doing what is being done by the British.

But I do not believe that this can be done by governmental compulsion. The government can subject both employers and employees only to reasonable restraints, impartially applied. It seems to me entirely feasible to let employers in any industry get together and organize as they do in England and to ask the employees to organize and deal with the employers through duly elected representatives.

If this new spirit is developed in America between employer and employees, more will be done to promote prosperity than by all the laws that might be written on the statute book in a decade.

Let us profit quickly by the experience of the British and form a labor code that will encourage, rather than make impossible, full cooperation between employers and employees. Remove those sections of the Wagner Act which promote strife, prolong disturbances and work havoc with all industry.

According to the recent census of employment, there are 54,474,000 men and women in America available for employment. Of these, about 10,000,000 are members of national or international labor organizations. *Should* not some attention be paid by Congress to the desires—if not the votes—of the other 44,474,000?

Our spirit of fairness amounts almost to a national trait. We acquire it as children in play and in sports. We practice it on the athletic field and we emphasize it in our business dealings.

We are an intelligent people. Why can't we, then, end our labor disputes and further our recovery? Better business conditions and prosperity means as much to the employee as to the employer—in fact, general prosperity helps every one and promotes happiness. No greater task lies before us than solution of our labor relations problem. And we can solve it.

2.

A SYNTHESIS OF THE BRITISH SYSTEM OF INDUSTRIAL AND LABOUR RELATIONS

By B. F. CATHERWOOD

*Economist of the Joint Legislative Committee on Industrial
and Labor Relations of the State of New York*

I.

THE existing system of industrial and labour relations in Great Britain is not an adventitious growth; it is rather the product of many factors; of a changing environment incident to the industrial revolution, of an increasing consciousness of a need for real national solidarity of interests, of a spirit of fair-mindedness, of a development of real democracy, of a very real consciousness of the interests of the Empire, and incident to the latter, a common knowledge that national industrial unity must replace weakening discord as a most essential factor in creating national ability to meet the ever-increasing competition of other nations in the world markets. These and many other factors enter into the structure of one of the world's most productive industrial systems.

The very fact that England is highly industrialized—about the same—or perhaps a little more so than New York State, makes the question of industrial relations of her millions of people a very pertinent question; while the area of England proper is approximately that of New York, her population is somewhat short of three times that of the latter.

To the average English citizen the national economy of his

country is a very real and very vital thought; he knows that his food, three-fourths of which is imported from other countries, is obtained by the product of his labour; he, the average employer or employee, has learned through long, and sometimes bitter experience that if he does not produce goods or services because of stoppage of work, he is the one who will suffer and will suffer quickly; he knows that even in exchanging goods, brick cannot be made without straw.

There are two very important governmental reports which mark definite stages of progress in the development of British industrial relations; in addition, these reports are expressive of the thoughts of the leaders in the two periods covered.

II. (a) THE WHITLEY REPORT.

One of these reports was rendered by "A Committee on Relations between Employers and Employed," popularly known as the Whitley Committee. It was appointed in 1916 and made a series of reports, five in all. These reports dealt with national Joint Industrial Councils, District Councils, Trade Boards, Works Committees and the Industrial Court. These reports were made consistent with the following specific instructions:—

- "(1) To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.
- "(2) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned with a view to improving conditions in the future."

Five reports followed. These reports analyzed the industrial and labor conditions of the country, and made certain specific recommendations based on conditions as they found them to exist. The first report advocated the formation of Joint Industrial Councils in the many industries of the country.

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This recommendation was couched in the following terms: "It may be desirable to state here our considered opinion that an essential condition of securing a permanent improvement in the relations between employers and employed is, that there should be adequate organisation on the part of *both*. . . . We are convinced, moreover, that a permanent improvement in the relations between employers and employed must be founded upon something other than a cash basis. What is wanted is, that workpeople should have a greater opportunity of participating in the discussion about, and adjustment of those parts of industry by which they are most affected." This is the basis of the system of Joint Industrial Councils as it exists at the present time in great Britain.

The fourth report of this Committee stated in part:—

- "(1) While we are opposed to any system of compulsory arbitration, we are in favour of an extension of voluntary machinery for the adjustment of disputes."
- "(2) We further recommend that there should be established a standing arbitration council for cases where the parties wish to refer any dispute to arbitration, though it is desirable that suitable single arbitrators should be available where the parties so desire."

This became the basis of one of the most effective and efficiently administered systems of adjustment of disputes in existence, the Industrial Court System of Great Britain.

The second report of this Committee dealt with those trades—sometimes called "sweated trades" or the less organized groups—and advocated an expansion and establishment of Trade Boards. Accordingly, the Trade Board System was developed to its present scope.

(b) THE BALFOUR REPORT.

Ten years after the appointment of the Committee on Relations between Employers and Employed in 1926, another

governmental committee, appointed by Prime Minister Ramsay MacDonald and composed of Sir Arthur Balfour and some seventeen other men and women, made a comprehensive report on British Industrial Relations. This committee followed out the development of the agencies which had been recommended by the previous report and showed their functions and benefits in the national economy.

The memorandum Page (iii) of the Balfour Report shows three questions to be investigated: first, the position of British overseas trade; second, the ability of British industry to meet competition and overseas demand; and "The third question is that of the relations between those engaged in production. This will involve inquiry into methods of industrial remuneration, the main causes of unrest and disputes, and the methods of avoidance or settlement of disputes, as, for example, co-partnership, co-operation, Wages Boards and voluntary arbitration, State regulation of wages, and compulsory arbitration and compulsory enforcement and extension of agreements."

The findings of this Committee are indicated in its remarks relative to the size of the agency used in the adjudication of disputes and the application of the "voluntary" principle of settlement. Accompanying the discussion of various agencies for Conciliation and Arbitration such as the Joint Industrial Councils, Industrial Court, Trade Boards and the Ministry of Labour we learn on page 46 that "Generally speaking, the recent tendency has been to provide more and more for national settlements, or at least for settlements over a wide area. In nearly every case there is appeal from local to national bodies in any matter of dispute. Practice varies, however, as to the provision for obtaining a definite decision in the last resort; and there is very rarely any provision for the imposition of penalties for breach of agreement or award."

On the question of voluntary adjustment the following is very much to the point as noted on page 48, "Throughout

British practice the voluntary principle is deeply rooted. Suspended during the war, it was promptly restored. Under the Industrial Courts Act, reference to arbitration can only take place by consent of the parties, nor can the Minister of Labour refer a matter to arbitration unless existing joint machinery has failed. Even then there is no statutory obligation to observe the awards. It is assumed, that is to say, that all that should be done is to provide machinery, as elastic and adaptable as possible, to facilitate discussion between the parties, reinforced by arrangements for their reconciliation by impartial outsiders, and, in the last resort, for the review of the question in dispute by a semi-judicial tribunal. It is assumed that there will be enough good sense and fair dealing in the parties concerned to take advantage of this machinery, and enough honour in them to maintain and support agreements or decisions thus reached."

These are important pronouncements on the broad questions of jurisdiction, penalties and voluntary principles.

The year of 1926 was important in the annals of British development for yet another reason: in addition to the report mentioned which indicated the breadth and importance now being attributed to the subject of industrial relations from a governmental standpoint as well as from the standpoint of industry, a disturbance took place which was far-reaching in its effects—this was the year when so much of the economic life was dislocated by lock-outs and strikes. After the year 1926 there was a real determination to avoid the great losses and misery incident to industrial conflict.

III. THE NEW AGE.

Following the report of the Balfour committee a new age appeared in British industrial relationships. In the succeeding ten years the total time lost with its consequent destruction of

industrial productivity was only one-fifth that of the one year of 1926; the yearly average was about two percent of the former year.

The two reports referred to above are at once expressions of the evolution of the British system and descriptive of the fundamental factors of that system as it operates today. The forces we shall discuss below, which are explained in detail in the succeeding chapters, if not new to the period after 1926, have apparently had their highest degree of development since that time. These factors, which Great Britain has formulated out of her vast experience, we choose to divide into two groups: first, those arrangements, somewhat legalistic in nature, some of which may have more or less similar counterparts in America; second, those almost wholly voluntary arrangements depending on the good will, friendliness and equality of the two groups, employees and employer. These often have the encouragement of governmental agencies.

I. VOLUNTARY AND GOVERNMENTAL.

In the first group are the Ministry of Labour, the Industrial Court, and the Trade Boards.

(a) The Ministry of Labour.

The Ministry of Labour is a governmental agency which is very young; in fact it was set up about twenty years ago. While this agency is a state agency, intervention in industrial disputes is limited to providing assistance for voluntary conciliation and arbitration and no compulsory arbitration is used in normal times. It functions in a highly voluntary manner. Trade Unions and employers' organizations are left to settle their own questions; assistance is offered in case of a threatened breakdown of this voluntary method.

The Ministry is well described in the words of the Rt. Hon. Margaret Bondfield, Minister of Labour in the MacDonald

Cabinet: "Both the workpeople and the employers in Great Britain look upon the Ministry of Labour as their other office. It has proved an indispensable part of a system of collective bargaining to secure a higher standard of living without destroying Industrial Peace."

(b) The Industrial Court.

The second agency in the first group is the Industrial Court. This is a permanent agency composed of people appointed by the Ministry of Labour and consists of representatives of three groups: *independent persons; those representing employers; those representing labour.* Mutual voluntary appeal to the Ministry of Labour is a prerequisite to the action of this Court; there is nothing compulsory in any aspect of its service and the awards are voluntarily accepted. However, in its nineteen years of existence it has issued some 1,700 awards on a diversity of matters in many trades and industries and in the Civil service; in four cases only, have the parties refused to abide by the terms of the decision. The legislature has invoked the aid of the Court to decide fair wages and in one instance has invoked it to a greater extent. The Court usually sits in a division of three: The President or chairman, and two members.

The splendid record of this Court, its simple and direct procedure, the confidence imposed in it by all parties indicate it as a possible addition to, or expansion of, the American system. The voluntary acceptance of its findings are more conducive to industrial peace than a long chain of court appeals.

(c) Trade Boards.

Another agency in this group, the Trade Board, is connected with the Ministry of Labour. The State has taken definite steps to regulate minimum wages; this was done partly through the Trade Board Acts. The Act of 1909 was the first effort made to this end; it was amended in 1918 empowering "the Minister of Labour to set up a trade board in any trade" in

which he thinks there is no sufficient machinery for effective "regulation of wages" throughout that trade. There have been about fifty of these boards set up usually in the "sweated trades," or where "adequate machinery" does not exist for wage regulation: these cover more than a million workpeople, 70% of which are female.

The Trade Board covers the trade in the whole country and consists of an equal number of representatives of workers and employers, together with some impartial members, less than half the representative members; one of these presides. All members are appointed by the Minister of Labour but about 75% *are nominated by employers' and workers' organizations*. The Trade Board system has been successful in eliminating the worst forms of underpayment and has made wage conditions more uniform. It has been more effective among the larger units and has protected the good employer against the less scrupulous.

2. TRADE UNIONISM—VOLUNTARY AGENCIES.

There are three subdivisions in the second group of agencies; one of these is the organization composed of both the employers and the workers, a second of employers and another of the workers. They may all be properly classed under trade unionism since a trade union is defined as "*any combination, the principal objects of which are, under its constitution, the regulation of relations between workmen and masters, or between workmen and workmen, or between masters and masters—or the imposing of restrictive conditions on the conduct of any trade or business, and also the provision of benefits.*" *

(a) Joint Industrial Councils.

It was the intent of the Whitley Committee to encourage the formation of a system of well co-ordinated councils for many

* Richardson, J. H., *Industrial Relations in Great Britain*, page 58.

industries operating on a national, district and local scale. The national Councils were composed of representatives of *employer's associations and trade union representatives and were autonomous bodies without compulsory powers*. During the four years following the application of the scheme seventy-three Councils were set up; others were added later. The number decreased, but some fifty have continued to function and many of them have district and local units associated with them. Probably some three million people are covered by this agency. District Councils and Work Councils have not been so widely developed as the Committee hoped. District units have been applied to public utility and other services and have integrated with the National Councils but the Works Council have generally been set up in smaller undertakings. In the following discussions the description and history of the Joint Industrial Council as it operates in the Municipal Gas Industry and the Flour Milling Industry are explained by men who have been long familiar with this method of solving many problems incident to British industrial life.

(b) Voluntary Employers' Organization.

In regard to industrial relations, the leading national agency of employers is the National Confederation of Employers' Organizations. The movement to organize the employers paralleled the organization of the workers and each often received the encouragement of the other in these efforts; in fact some of the first efforts to organize labor originated with far-sighted employers; both were encouraged and assisted by the government and by reports and findings of committees, specifically the findings of the Whitley Committee, or more properly the "*Committee on Relations between Employers and Employed*."

The National Confederation of Employers' Organizations is a voluntary co-ordinating agency, and like the Ministry of

Labour is about twenty years old. It is largely the employers' counterpart of the Trades Union Congress to be discussed later. It has a membership of between forty and fifty associations or federations in the different industries, and probably includes all the large units. It has claimed to represent employers who employ some 7,000,000 workers. It is a go-between for employers and government and has a system of policies and practices which will be set forth in some detail in a discussion to be found later in this volume.

We mention here that one of its most valuable potential contributions to the satisfactory solutions of labor questions is involved in its voluntary participation in the formation of machinery for consideration of pertinent questions by representatives of national agencies of organized employer and employee groups. This conference on Industrial Reorganization and Industrial Relations has great possibilities. It is the converging point of the interests of the two industrial groups. The friendly spirit prevailing in British relations is indicated by the fact that the employers, the Mond group, originated this formal conference. (See Appendix.)

(c) Voluntary Labor Groups.

We now pass to the third subdivision of our second group; those voluntary, organized agencies usually thought of in connection with labor alone. The fact is, however, that in many of these the employers participate and give encouragement. In this section we include the Trades Union Congress, the Council, the Joint Industrial Councils, the Works Committee, profit-sharing and co-partnership, special arrangements in special industries, and others. It will be sufficient for the present occasion to give a brief description of just a few of these.

The definition of trade unions has been previously given. In addition to the inclusion of the employers' organizations, *Trade*

Unionism would include *individual unions, federations, trades councils, the Trades Union Congress, and the Trades Union General Council.*

We shall touch briefly on three of these: The Unions, the Congress, and the Council.

1. *The Unions.* There were more than a thousand unions in 1936, but the real power is greatly centralized in a few big organizations of leading industries. Amalgamation has been carried out until Dr. Richardson of the University of Leeds quotes G. D. H. Cole as saying, "There are not in all, more than a hundred trade unions—that play any effective part in the work of the movement as a whole, or add anything considerable to its bargaining strength." Most unions are described as of three types: "craft, industrial, and general labour unions."

(a) The Craft Union. The craft union was the first and probably the simplest type of trade union, usually including skilled male workers trained for a trade.

(b) Industrial Unions. Industrial Unions, involving the workers of an entire industry, have developed more recently than the craft unions, but are of considerable importance.

(c) General Labor Unions. General labor unions are about fifty years old in England, and they have drawn their membership from workers in several industries. The members may be unskilled or semi-skilled and may include women workers; in the following pages is an extended discussion of one of the most important of the General Unions, the Transport and General Workers Union, probably among the largest unions in the world.

2. *Federations of Unions.* Many "federations" of unions have been formed and now probably number about sixty with a net membership of some two and one-fourth million, about 42% of all trade unionists.

IV.

1. No description of the mechanism of industrial relations in Great Britain would be complete without giving consideration to three other factors, Profit-Sharing and Co-partnership, the Monetary System, and the political aspects of industrial organization or the British Labour Party.

Profit-sharing and co-partnership as a part of industrial procedure has been practiced for a long time in Great Britain. From the annual report for the year 1937-1938 of the Industrial Co-partnership Association we define it as "An Educational, Advisory Propagandist Body. The Association works by means of Lectures, Conferences, Literature, Correspondence, and Consultation. Its membership consists of Industrial Companies and Societies, Employers' Associations, Workers' Committees and Individual supporters, including a large number of employees in Co-partnership firms on whose subscription it entirely depends."

The purpose of the method is well expressed in a quotation from Sir Kenneth Lee, Chairman of Messrs. Tootal Broadhurst Lee Co. Ltd., found in the same publication: "I am a convinced believer in Co-partnership. Everyone knows that if you have Co-partnership you cannot pay huge dividends, but the time has gone when people must expect huge dividends. Wealth has got to be more evenly distributed and there has got to be a greater division of the products of industry, and this is one of the right means of achieving that division."

Factually we note the following on pages 22-23:

"Over £1,200,000 has been distributed in workers' benefits by J., T. & J. Taylor Ltd., Woollen Cloth Manufacturers, of Batley, Yorks., in connection with the profit-sharing scheme which has been in operation since 1892. The workpeople now own 75 per cent of the capital in the undertaking."

"There are co-partnership schemes in 59 private gas companies, in-

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cluding all the largest undertakings in the country. These companies employ 52,800 co-partners, who own £4,400,000 worth of stock in the various companies, an average of about £80 per head. The total profit distributed among employees in the industry exceeds £7,000,000."

"Co-partnership is making headway among the newer industries of the country, such as the motor-car and ancillary industries. Methods of sharing profits, in slightly different forms, have been introduced with conspicuous success by Morris Motors Ltd. and its associated companies, by Vauxhall Motors Ltd., and by the "Triplex" Safety Glass Co. Ltd."

"The number of Co-partnership and Profit-sharing schemes recorded by the Ministry of Labour was 266 at the end of 1937. The number of workers who participated was 223,000 and the average bonus paid was 6.4 per cent on wages or £12 10s. 7d. per head. Although these figures are of necessity incomplete they show that the number of workers who benefit from Co-partnership steadily increases."

2. Trade Unionism in Great Britain has been much influenced by political party activities. Mr. Winston Churchill said in the House of Commons, "I should have no hesitation in saying that it is quite impossible to prevent trade unions from entering the political field. The sphere of industrial and political activity is often indistinguishable, always overlaps, and representation in Parliament is absolutely necessary to trade unions, even if they confine themselves to the most purely industrial forms of action, and the moment you touch representation you reach the very heart and center of political life, because the disputes as to representation raise every question of general politics and party politics which can be imagined." *

3. As commercial factors become more complex and trade becomes more widely extended, the monetary system of any trade or political unit becomes a more vital part of its industrial mechanism. A fluctuation in the monetary supply or a change in the system becomes of great importance to manufacturing and commercial groups. Industrial distress or prosperity is often influenced by changes in the monetary system. The

* Milne-Bailey, *Trade Union Documents*, page 380.

interest in this industrial factor in Great Britain is well illustrated by the following quotations from publications of the Monetary Policy Committee of The Federation of Master Cotton Spinners' Association Limited. The publication on "The Problem of Gold," page 13, says "There is nothing sacrosanct about any particular price level. That level is best which promotes the full employment of our resources of production. Once our factors of production are in steady employment, any further rise of prices would be inflationary, but until that condition is attained prices should be induced to rise."

In another bulletin on "The Trade Position and Prospects" the same authority makes the following pronouncement on the question of gold, page 22, "The Gold school, with their interests in international, show little or no concern for legitimate British interests in respect of the exchange parities; and with their desire to keep currencies as valuable in real wealth as possible they show little or no concern for the uneconomically low prices still paid to farmers and basic industries."

4. TRADES UNION CONGRESS AND COUNCIL.

The Trades Union Congress and Council stand at the top of the ladder of voluntary arrangements on the side of the workers. Briefly, the Congress meets yearly and the Congress this year marked "Seventy Years of Trade Unionism" in Great Britain. The first Congress met at Manchester in 1868 with 34 delegates in attendance, representing a union membership of less than 120,000. Growth and expansion of unionism was conditioned by the great growth of industry. Union activities now embrace many lines of relief, improvement, education, etc. The last meeting of Congress was at Blackpool, September 5, 1938. Among the fraternal delegates attending this session were three from America. They were Mr. Robert Hewett from the Trades and Labour Congress of Canada, Mr. Daniel

J. Tobin and Mr. P. J. Morrin of the American Federation of Labor. The report of the Congress required 500 pages.

(a) This Congress, a voluntary organization, now consists of 214 affiliated Unions with an affiliated membership for last year of 4,460,000 members. It meets for one week each year, and its business is conducted with intelligence and dispatch; the deliberations reach into domestic and foreign relations in a way that shows a comprehensive grasp of many problems. It would require too much space to enumerate the subjects on the agenda register. The 214 affiliated societies in the Congress this year were grouped into seventeen different classes.

(b) The General Council is elected by the Congress as a whole, the unions being combined into the seventeen industrial groups. It consists of thirty-two members including two women. The Council usually meets monthly and by special call. It appoints Standing Committees from its own membership to give careful consideration to all questions, and to submit recommendations to the Council as a whole. When important political questions are to be considered, the Labour Party is consulted through the National Council of Labour, representing the three groups: the General Council, the Executive Committee of the Labour Party, and the Executive Committee of the Parliamentary Labour Party.

5. CONFERENCE ON INDUSTRIAL REORGANIZATION AND INDUSTRIAL RELATIONS, AND THE NATIONAL INDUSTRIAL COUNCIL.

In concluding the discussion of the frame-work of the system of British Industrial and Labour Relations we refer to a subject previously mentioned relative to the Employers' Organizations; this is the Conference on Industrial Reorganization and Industrial Relations. This Conference, first suggested by the employers' organization, and at once concurred in by the workers' interests, later promoted by a group of employers, is the real converging point of all the voluntary efforts of

British industrial and labor interests. This was the Turner-Melchett Conference.

The National Industrial Council, the proposal of this first effort of the organized groups, was a formal scheme for the purpose of considering questions of mutual interest to the three great national organizations: the General Council of the Trades Union Congress, the National Confederation of Employers' Organizations, and the Federation of British Industries. This effort bore fruit in the formation of a formal scheme in December, 1929. Either the parent conference or the more formal product offers an excellent pattern for the United States. The fact that this scheme has not had wide use in Great Britain since its formation and acceptance by the subscribing agencies in 1929, is probably due to the fact that very effective machinery for conciliation and arbitration, as that described in preceding sections of this report, has clarified the air. The British know they have this ready for use if occasion requires, and it is readily seen that a national emergency could call it into use.

This agency provides that any of the three interested organizations referred to above can suggest "subjects for discussions" within certain limits. The employers' groups will set up a committee to decide to which group a suggested question applies; refusal to discuss calls for a statement of reason. Discussions shall be confidential and conclusions must be approved by the organizations involved. Possible subjects include unemployment, taxation, social service, education and industry, international trade, insurance of export credits, international labor questions, and others. It seems quite obvious such machinery set up in our own country and properly administered could produce beneficial results.

6. In conclusion, we call your attention to a remark of one of England's industrial leaders that "experience makes the expert." This is true in the field we have been discussing. The English are experts in the matter of Industrial and Labour

Relations, and are apparently many years in advance of us; why should we not use the services of these "experts" and perfect our own machinery after their pattern or set up new devices if necessary? It does not seem reasonable that we should continue to follow the costly path of lock-outs and strikes when we have such a good opportunity to apply various devices of conciliation and arbitration such as I have been discussing. These devices of conciliation and arbitration are discussed in detail and illustrated in this symposium. These discussions contain the fundamental elements of the British system by some of the most able English authorities.

We believe our problems are very urgent; we believe also that they must be, and can be, solved in an intelligent manner! A failure to do so would be an indictment of our governmental machinery and a stronger indictment of our educational agencies which have been so deficient in not giving our young men and women an adequate understanding of this great industrial age in which we live. Opportunities of which our parents never dreamed, in their most optimistic moments, are just before us and we must utilize them.

Note: In preparing this synthesis, free use has been made in transcription, quotation and meaning of Dr. J. Henry Richardson's *"Industrial Relations in Great Britain"*; Milne-Bailey's *Trade Union Documents*; the Balfour Report; The Ministry of Labour Gazette and other governmental publications.

—B. F. C.

PART II

I.

THE MINISTRY OF LABOUR AND INDUSTRIAL
RELATIONS IN GREAT BRITAIN

By the Rt. Hon. MARGARET BONDFIELD, J.P., LL.D.,
Minister of Labour under the MacDonald Government

and Miss DOROTHY ELLIOTT, J.P.,
*National Woman Officer, National Union of General
Municipal Workers of Great Britain*

I DO not overstate the case if I say that both the work-people and the employers in Great Britain look upon the Ministry of Labour as their other office.

Of course, when there is a change of government and consequently in the political opinions of the Ministry there may be—and often is—a change of policy, but the departmental machinery functions evenly under any ministry in matters relating to industrial relations. In industrial legislation ministers may give different interpretations—and undoubtedly there is a bias—in one ministry towards the employers, in another ministry towards the workers, but it will be *not individual*, but collective views which have to be taken into account by any ministry and the Federation of British Industries (the F.B.I.) and the Trades Union General Council (the T.U.C.) have to be equally consulted.

The Minister of Labour appoints delegates to the International Labour Conference at Geneva—but only on the nomination of the F.B.I. in the case of employers’—and of the T.U.C. in the case of the workers’—representatives. Ministerial discretion to interpret disputed claims under the insurance acts

administered by the Department of Labour is abrogated to the Umpire's Court whose rulings can only be changed by fresh legislation.

The permanent officers of the Ministry are trained in a knowledge of the industries with the representatives of which they have to deal; in the event of a Trade Dispute the services of the Conciliation Officers are freely at the disposal of both sides of the quarrel—all the more effective because they do not advertise their presence.

A great industrial conflict is "news" and everyone knows of it, but only the Trade Unions concerned and the Conciliation Officers know of the many disputes settled without cessation of work and with no publicity—which, but for the collective system which has been built up, would have caused serious industrial dislocation.

This three-fold relationship of workers, employers and the government did not just happen. It had to be worked for, and has developed through trial and error.

The Ministry of Labour was only created in 1918 and, in its infancy, it had thrust upon it the problems of demobilisation, of building up the unemployment insurance system (on which it nearly came to grief!), of developing a method of fact finding about industrial conditions, and of carrying out government policy in connection with the newly-formed International Labour Office.

The Department could not have survived—in my opinion—but for the fact that it was mainly the creation of the organised group in industry; it has proved an indispensable part of a system of collective bargaining to secure a higher standard of living without destroying Industrial Peace.

—MARGARET G. BONDFIELD.

The development of institutions and relationships in Great Britain is often a bewildering study to friends in other coun-



Courtesy W. B. Feakins, Inc., N. Y.

RT. HON. MARGARET BONDFIELD

tries, for, so slow and, in many cases, seemingly haphazard has been their growth that it is difficult to understand the apparent absence of method and policy without a complete picture of the general background of political and industrial institutions. This is certainly so in the sphere of industrial relationships and their connection with Government policy. The story of their development is part of the general story of the growth of the trade union movement, and the consequent organisation of the various Federations of Associations of Employers.

During the earlier years of the trade union movement, the struggle was for the recognition of the trade unions as an integral part of the industrial system, and any connection with the Government was fought out on the political field. The Unions had to fight for their right to exist, and to combat a series of Acts of Parliament making them illegal bodies. It was not until the repeal of the Combination Laws over a hundred years ago that the organised body of workpeople had any standing in the general economic system of the country. This battle was ultimately a political one, fought out on the floor of the House of Commons, and was to be followed during the next hundred years by many a similar fight. Each struggle left the Movement stronger than before, and gradually there began to emerge the idea of national and district machinery, providing for negotiation between organised employers and organised workpeople, rather than individual discussions between an isolated employer and his workers. So, very gradually, was built up in many of the great industries of the country—iron and steel, engineering, coal, railways—national machinery for negotiations, coupled in many instances with district and regional machinery.

As a rule no official strike can take place unless the negotiating machinery laid down has been fully exhausted. In Engineering, for instance, there is elaborate procedure for the avoidance of disputes, by which grievances are first submitted

by the Shop Steward to the local management; if no agreement is reached there, they must be submitted within a limited period to a Local Conference, which consists of representatives of the District Employers' Association and the District representatives of the trade union concerned. Lack of agreement at this Conference means that the matter must be submitted to a Central Conference, where it is discussed between the national representatives of the Employers and of the Union. Only after failure to agree has been registered can there be any official dispute.

Similarly, national wage negotiations, while of course the local procedure is omitted, can only end in an official dispute after National Conference and failure to agree has been registered.

In this instance, as in many others, it will be noted that there is no "outside person" involved. The whole of the negotiations are carried out directly between the Employers and the trade unions. In other trades, provision is sometimes made for an outside arbitrator; for instance, under the conciliation machinery set up within the Co-operative Movement, cases of disagreement after going through the local machinery of negotiation are referred to a national Conciliation Board which consists again of representatives of the Co-operative Societies, together with national representatives of the Unions concerned, and of other Unions interested in the Co-operative Movement, under the chairmanship of an independent Chairman appointed from a panel agreed by the two sides.

Many variations of these two forms of machinery exist, but the principle underlying them all is the same—that is, that voluntary agreements should be arrived at, and in the case of any arbitration by an outside person there must first be the consent of the two parties to accept such an arbitrators' award.

In none of the machinery worked out in this way is there any element of compulsory arbitration.

Concurrently with this development of the procedure for the avoidance of disputes and for the settlement of differences whether with regard to wages or conditions, which has been worked out in this purely domestic way between the employers and the Unions, there have been steps taken from time to time in Parliament to deal with Conciliation machinery; the two main Acts of Parliament which are used by the Ministry of Labour in connection with industrial disputes are the Conciliation Act of 1896 and the Industrial Courts Act of 1919.

The first Act has as its title: "An Act to make proper provision for the prevention and settlement of Trade Disputes," and the second, "An Act to provide for the establishment of an Industrial Court and Courts of Enquiry in connection with trade disputes and to make provision for the settlement of such disputes."

In view of these titles, one would have expected that these Acts would be continually in use, and would be the major factors in industrial relationships in this country. But a study of the Ministry of Labour Reports shows that in actual practice the number of cases dealt with annually by the Ministry of Labour under these two Acts is not great, and covers a comparatively small number of the total workers in industry. The great struggles of recent years, particularly the Miners' Dispute which was followed by the General Strike in 1926, was not dealt with under either Act. It is difficult to assess exactly the reasons for this, but probably the main factor is a psychological one—that there is and always has been underlying all methods of industrial relationship in this country a very strong feeling that they should be completely voluntary, without any element of compulsion, and the main industries prefer to thrash out their problems within their own closed doors.

It has again and again been the declared policy of the Government that, as it is put in the Ministry of Labour Report from year to year in one form or another, "it is the de-

liberate policy of the Department" (i.e. the Ministry of Labour) "to take every opportunity of stimulating the establishment of joint voluntary machinery or of strengthening that already in existence."

In the Acts referred to this principle is still maintained for the Minister of Labour can only refer to the Industrial Court any matter in dispute if both parties consent. He must, a trade dispute having been reported to him by either party, "take the matter into his consideration and take such steps as seem to him expedient for providing a settlement thereof," but the only step which he can take without consent of the two parties is to refer the matter under Part II of the Industrial Courts Act to a Court of Enquiry which shall report, and its report must be laid before both Houses of Parliament.

Similarly under the Conciliation Act, the Minister of Labour has power to enquire into the causes and circumstances of all disputes referred to him, to take any steps as may seem expedient for getting the parties together under a mutually agreed-upon Chairman, and, on the application of either party may appoint a Board of Conciliation, but only on the application of both parties may he appoint an arbitrator to issue an award.

This principle has been most jealously guarded, and underlies the whole of our industrial relationship machinery. In practice the greater part of the work of the Ministry in connection with disputes between employers and workers takes the form of conciliation through the various conciliation officers in the localities and the Head of the Conciliation Department. For instance, in the recent crop of really serious disputes in the textile industry when both in the spinning section and in the weaving section there was the threat of an immediate strike, the ultimate settlement was due entirely to the conciliation efforts, which resulted in a joint agreement.

An interesting example of this kind a year ago was in the

formation of the London Theatre Council, where there was a dispute between the artists and the London Theatre Managers, which eventually was referred to the conciliation machinery of the Ministry and under those auspices eventually a London Theatre Council was set up under the independent chairmanship of Lord Esher, which has made history in the Theatre world in this country.

There are two national forms of wage negotiation in which the Ministry of Labour is directly concerned: the first of these is the great group of Trade Boards, on which there are appointed by the minister three independent members, and of which the Secretary to the Board is a permanent official of the Ministry of Labour, and while, under the Trade Boards Act, they are concerned only with the fixing of rates of wages, they have, ever since their inception in 1909, formed a very important piece of machinery in respect of industrial relationships. It is in this great group that the principle of entirely voluntary agreements has been broken away from, and from the beginning here, of course, the wage rates fixed have been legally enforceable. The reason for this is that before a Trade Board can be set up there has to be established the fact "that no adequate machinery exists for the effective regulation of wages throughout the trade," and that accordingly, having regard to the rates of wages prevailing in the trade, or any part of the trade, it is expedient "that the Act should apply to that trade," so that even here the principle of voluntary agreement is safeguarded to the extent that if there is the machinery for voluntary agreement legal enforcement cannot be used. (A similar principle has, of course, been adopted in the much more recent Agricultural Wages Act which is administered by the Minister of Agriculture and not by the Minister of Labour.)

The other great group is that of the Joint Industrial Councils which developed after the war in several of the main industries, particularly those connected with the Public Service. Here

there are no independent members, and the negotiations are carried on in the same kind of way as direct negotiations where no Joint Industrial Council exists, but a representative of the Ministry of Labour is present as a Liaison Officer, and these Councils have a somewhat more official flavour than the direct collective bargaining, where no Council exists.

As a result of this great recent development of national machinery, the problem which has always been inherent in this kind of voluntary arrangement has now become one of pressing importance. In only a very few trades can a hundred per cent organization be claimed on either the side of the Employers or of the workers, and there has been a practice among certain employers to leave either the Employers' Side of the Joint Industrial Council or their appropriate Employers' Federation, rather than honour the agreements arrived at with the trade unions. This minority of Employers, together with the other minority who have always been outside the machinery form, of course, a competitive bloc which is a continual problem in all considerations of wages and conditions. The question, therefore, of the legalisation of voluntary agreements has now become one of practical politics, and very much under discussion. It has been given a tremendous incentive by the passing of the Cotton Manufacturing Industry Act in 1934, which made "temporary provision for enabling statutory effect to be given to rates of wages agreed between representative organisations in the Cotton Manufacturing Industry. It enables an organisation of employers and an organisation of employed persons in the cotton manufacturing industry to make joint application to the Minister of Labour for the making of an order in respect to any agreement reached between the organisations as to the rates of wages to be paid to persons employed in the industry." (Ministry of Labour Report for 1934.)

It will be noted that with our usual caution this Act is "to make *temporary* provision," and it was definitely undertaken



MISS DOROTHY ELLIOTT

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as an experiment in the legalisation of voluntary agreements. So far it seems to have worked well. Already a revision of wages has taken place, so that in 1937 the Minister of Labour issued an Order revising the wages in the trade. The official interpretation of the reason for the Act is "that in the adverse economic circumstances of the industry, the collapse of the voluntary system was threatened by the increasing numbers of breaches of agreed conditions." The Act is intended "to restore the effectiveness of the voluntary system and not to replace it, and it is regarded as an experiment in a field where it has been the subject of much discussion." (Ministry of Labour Report, 1934.) One extremely interesting point is that even the enforcement is left to voluntary arrangement, there being no provision for Government inspectors, and the enforcement is carried out entirely by those in the industry, in order to provide an incentive to organisation and to self-government.

The General Council of the British Trade Union Congress has now definitely agreed in principle to the legalisation of voluntary agreements as regards wages, and it appears as if there is likely to be a considerable extension of this form of legislation in the near future. Lately discussions have been taking place with regard to the Retail Distributive trades where real difficulties both in relationships between employers and workers, mainly on the question of wages and conditions, had arisen. While these discussions have been primarily between the employers and the trade unions, they have afforded an instance of the form of conciliation referred to earlier, where the Ministry of Labour has, through its conciliation machinery, played a very large part in keeping the two Sides together and in hammering out with them some form of machinery. It is interesting to note that in November, 1937, a voluntary agreement was come to between an important section of the Distributive trades and the Shop Assistants Union and these words were definitely embodied in the agreement:

"This agreement has been entered into as a step towards the ultimate object of the establishment of national standards of wages and working conditions in the Distributive trades which shall be statutorily enforceable. Both parties place on record their view that such agreements require to be fortified by statutory action."

The problem of relationships in the Retail Distributive trades has been one of great difficulty during the last ten years, and it is very interesting to see how the same method has been used in this branch of employment as in industry—that is, that voluntary agreements have first been come to before the statutory enforcement has become practicable. Whether the form of statutory enforcement in these trades will ultimately take the form of Trade Boards or will follow the line of the Cotton Manufacturing Act still remains to be seen.

A factor which has had a very great bearing on the influence of the Ministry of Labour on industrial relations is the growing power and influence of the International Labour Office. The fact that such questions as hours of work, and holidays with pay, are discussed at the International Labour Organisation Conferences, and that the Ministry of Labour is directly represented at those Conferences means that on major issues such as these the Ministry is from time to time either compelled or willing, according to the political complexion of the Government, to discuss these great questions with representative Employers and with the General Council of the Trade Union Congress. It is inevitable that on these matters of major policy, as apart from the day to day work of conciliation (which is carried on by the permanent officials) politics should play their part, but even with a Government which is thought by the Trade Unions to be reactionary on these questions, the Minister of Labour cannot ignore the importance of the issues, and during recent years there have been an increasing number of such discussions. The problem of the shorter working week at the

moment seems to be following the same course as that which has been practised with regard to wages agreements—that is, that voluntary agreements are being reached in the different trades rather than there being any over-riding compulsion from the Ministry of Labour by Act of Parliament. In trades such as printing trades, the flour-milling trade, and in many others, agreements have been reached for a shorter working week without reduction in pay, and it would seem that it is likely in the near future that this policy will be pursued. Even with regard to holidays with pay the Ministry has not taken any decisive over-riding action, but in the Holidays with Pay Act, which has been passed, has simply given power to existing bodies to make holidays with pay enforceable. Thus, every individual Trade Board will discuss this question, and holidays with pay will only become legal if agreed by each Trade Board. Similarly, a wage-regulating authority for any body of workers for whom a minimum rate of wages or statutory remuneration is fixed, shall be entitled to fix holidays with pay.

There are two pieces of work which are not at all spectacular, but which are probably amongst some of the most important that are done by the Ministry of Labour in connection with Industrial relationships. One is the regular publications of statistics with regard to all matters concerned with industry. It is most interesting to note that in every discussion which takes place with regard to industrial relationships, one of the points which is stressed is always the necessity for the workers being in full knowledge of the facts of the industry in which they are employed. This is particularly noticeable in the working of the Joint Industrial Council machinery, where often the Workers' Side feel that they are in possession of only a very small proportion of the actual facts and statistics on which the Employers' Side is basing its conclusions. Again and again it has been urged that satisfactory industrial negotiations can only take place if both Sides are in full possession of all the facts.

While the Ministry of Labour cannot and does not supply all the acts which are relevant, nevertheless, the patient accumulation of statistics and their open publication is a very important contribution to the better understanding of the general situation. It is to be hoped that as time goes on, this work will be developed still further, and here again the influence of the International Labour Office is a very potent factor.

The other is the network of committees which are set up all over the country in connection with the Employment Exchanges, and which are composed of representatives of Employers' organisations and of trade unions. While their work is entirely connected with the locality in which the Exchange is situated, the fact that they give an opportunity for the exchange of views and the discussion of any problems of employment within the area is bound to give an opportunity for closer relationships and better understanding.

It will be seen, therefore, that the most constructive work done by the Ministry of Labour in connection with industrial relationships has in the main been due in the first place rather to discussion and conference than to the exercise of legal powers, but that the developments resulting from this method have themselves created a problem which is likely to lead in the near future, on wages questions at least, to the greater use of legal enforcement.

2.

THE INDUSTRIAL COURT OF GREAT BRITAIN

By Sir HAROLD MORRIS, K.C.,
President of the Industrial Court of Great Britain

THE Industrial Court was established and its jurisdiction defined by the provisions of the Industrial Courts Act, 1919, which received the Royal Assent on the 20th November of that year. Section 1 of the Act of Parliament which deals with the constitution of the Court is in the following terms:—

- 1.—(1) For the purpose of the settlement of trade disputes in manner provided by this Act, there shall be a standing Industrial Court, consisting of persons to be appointed by the Minister of Labour (in this Act referred to as 'the Minister'), of whom some shall be independent persons, some shall be persons representing employers, and some shall be persons representing workmen, and in addition one or more women.
- (2) A member of the Industrial Court shall hold office for such term as may be fixed by the Minister at the time of his appointment.
- (3) For the purpose of dealing with any matter which may be referred to it, the Court shall be constituted of such of the members of the Court as the President may direct.
- (4) The President of the Court, and the chairman of any division of the Court, shall be such person, being one of the independent persons aforesaid, as the Minister may by order, given either generally or specially, direct.

On the passing of the Act the Minister of Labour proceeded to make appointments to the Court. Sir William Mackenzie, K.B.E., K.C. (now Lord Amulree, G.B.E., K.C.,) was ap-

pointed the first President of the Court. He was a lawyer of distinction with a large practice at the Common Law Bar, particularly in Local Government and Arbitration cases, and during the war had had much experience in dealing with industrial disputes as a member of the Committee on Production and subsequently the Interim Court of Arbitration under the Wages (Temporary Regulation) Act. Three chairmen, Mr. F. H. McLeod, C.B., Sir William Robinson, J.P., and the Rt. Hon. Sir Dunbar Plunket Barton, Bart., K.C., were appointed. Chairmen are nominated by the President to preside if it is necessary to have two or more divisions of the Court at the same time, or on occasions when the President himself is unable to be present. The President was appointed for a term of years at an annual salary and the chairmen were appointed for a year, the appointments being renewed annually. The chairmen receive a fee for each day when they sit or are engaged on the work of the Court in discussion and settling awards.

Eight members representative of employers and workmen and two women members were appointed. Of the eight original members three, one representing employers and two representing workmen, were appointed full time members at an annual salary. The terms of appointment of the other five members and the women members are similar to those of the chairman. When the whole time members are not available to sit, the President appoints one of the other members and in cases where women are concerned he appoints a woman to be one of the members of the Division. The personnel of the Court has changed during its nineteen years' existence from death or retirement and from additional appointments, but of the three full time members Mr. J. McKie Bryce, C.B.E., Mr. D. C. Cummings, C.B.E., and Mr. F. S. Button, J.P., Mr. Bryce and Mr. Button are still full time members of the Court,

and Mr. Cummings is a member of the Court, but his full time appointment came to an end in December, 1926.

Lord Amulree continued in his office as President of the Industrial Court until the end of the year 1925 and on the 1st January, 1926, I was appointed to succeed him. I was fortunate in coming to the Court at the time that I did, for in the first six years of its existence Lord Amulree had laid down well and wisely the general rules of practice and procedure and the Court had given awards dealing with the principles applicable in a number of important cases. I was fortunate also in having as colleagues the three full time members, for their wide knowledge and experience of industrial matters has been throughout of the greatest help to me in reaching decisions on the cases referred to us. I have sought with their assistance to maintain the continuity of, as well as to develop, the principles laid down by my predecessor.

In my view, for a Court dealing with industrial matters it is essential that not only the President should hold office on a full time appointment for a term of years, but that his colleagues also should be in like position. A permanent Court of Arbitration needs permanent members, otherwise a continuity of principle is lacking. This consideration, together with the allied one of the interdependency of decisions, was aptly expressed by the Minister of Labour (Sir Robert Horne now Viscount Horne of Slamannan) when introducing the Industrial Courts Bill in the House of Commons, and I cannot do better than to quote the actual words which he used—

“You want indeed a body of people who are able to take a comprehensive view of the labour question and, in particular, who are able to take a comprehensive view of the wages question. Every set of wages in every trade is related in some degree to every set of wages in every other trade. You cannot dissociate what is decided in one case from what may be asked in another case. Therefore, it would be futile to

have a court *ad hoc* for each case that might come up, because then you would get a series of dissociated judgments, which would have no relation to each other and which would tend to cause confusion where you hoped for harmony."

Proceedings in the Industrial Court are in reality the final stage in a trade dispute and formidable though the phrase "proceedings in Court" may sound, the hearings take place in an atmosphere free from bitterness and acrimony and in a large number of cases with friendly relations between the parties. The industrial disputes have often been through many stages before coming to the Court, both parties know and realise the points which they want to make and when they are set out in a carefully prepared statement for the consideration of an independent tribunal the issues become clear. The Court has been in existence now for nineteen years and parties who have resorted to it have become accustomed to the procedure and come before it with the knowledge that whether the result is favourable to them or not, their whole case can be fully presented and any point however small will receive consideration. Those who come for the first time can always obtain from the Secretary any information which they may require as to the practice and procedure of the Court.

The aim of the Industrial Court is to make the practice and procedure as informal and easy as possible but at the same time to maintain a judicial atmosphere at the hearings.

Section 2 of the Industrial Courts Act defines the conditions under which the jurisdiction of the Court arises and disputes can be referred to it. The Section is in the following terms:—

- 2.—(1) Any trade dispute as defined by this Act, whether existing or apprehended, may be reported to the Minister by or on behalf of either of the parties to the dispute, and the Minister shall thereupon take the matter into his consideration and take such steps as seem to him expedient for promoting a settlement thereof.

- (2) Where a trade dispute exists or is apprehended, the Minister may, subject as hereinafter provided, if he thinks fit and if both parties consent, either—
 - (a) refer the matter for settlement to the Industrial Court; or
 - (b) *
 - (c) *
- (3) The Minister may refer to the Industrial Court for advice any matter relating to or arising out of a trade dispute, or trade disputes in general or trade disputes of any class, or any other matter which in his opinion ought to be so referred.
- (4) If there are existing in any trade or industry any arrangements for settlement by conciliation or arbitration of disputes in such trade or industry, or any branch thereof, made in pursuance of an agreement between organisations of employers and organisations of workmen.

A trade dispute is defined by the Act of Parliament as follows:—The expression “trade dispute” means any dispute or difference between employers and workmen or between workmen and workmen connected with the employment or non-employment, or the terms of the employment or with the conditions of labour of any person. The Act of Parliament goes on further to define “workmen” and does so in the following terms:—“The expression ‘workman’ means any person who has entered into or works under a contract with an employer whether the contract be by way of manual labour, clerical work, or otherwise, be expressed or implied, oral or in writing, and whether it be a contract of service or of apprenticeship or a contract personally to execute any work or labour.”

It will be seen that the definitions of both trade dispute and workmen are in the widest possible terms so that there can

* Sub-sections (b) and (c) refer to alternative forms of arbitration such as a single arbitrator or a board of arbitration. Workmen representative respectively of substantial proportions of the employers and workmen engaged in that trade or industry, the Minister shall not, unless with the consent of both parties to the dispute, and unless and until there has been a failure to obtain a settlement by means of those arrangements, refer the matter for settlement or advice in accordance with the foregoing provisions of this section.

hardly be any industrial dispute which, if the parties consent and the Minister of Labour thinks fit, cannot be referred to the Industrial Court.

The duty of the Industrial Court under Section 2 (2) (a) is to settle a matter referred to it by the Minister of Labour and it is important to notice that the jurisdiction of the Court only arises on a reference to it by the Minister of Labour. It frequently happens that an employer and his workmen having found themselves in dispute over some condition or conditions of employment agree to abide by the decision of the Industrial Court and write direct to the Court sending their terms of reference and asking for a date of hearing to be given for the matter to be decided. In these circumstances the Court has not got jurisdiction to hear the parties to the dispute and give a decision and it is the practice in such cases to intimate to the parties that they should get into touch with the Ministry of Labour and request that the matter may be referred by the Minister to the Court. The Court at the same time sends an intimation to the Ministry of Labour that the parties have applied direct to the Court.

Much might be said in favour of giving the Court a jurisdiction founded solely on the consent of the parties. There are many who feel that they have done all that is possible by way of conciliation between themselves and that the intervention of a third party will carry the matter no further and that they would like to state their case to an independent tribunal for decision without further discussion. In matters dealing with the construction of a written agreement authoritative decision rather than discussion is more appropriate. Time too may be of importance and a direct request to the Court for a hearing may save considerable delay.

This position was discussed and considered at the time when the Industrial Courts Bill was under consideration in the House of Commons and ultimately the view prevailed that the juris-

diction of the Court should only arise on a reference from the Minister of Labour. This view was adopted mainly upon the ground that as there were many trades and industries with their own conciliation machinery, if direct access were given to the Court, this might cut down the work of conciliation which had done much to foster good feeling and harmony between employers and men. In the result sub-section (4) of Section 2 was retained in the Act of Parliament and the Minister cannot refer a matter for settlement under sub-section (2) or for advice under sub-section (3) until he is satisfied that there has been a failure to obtain a settlement by the arrangements for conciliation in the trade or industry concerned.

I have referred above to the action of the Court when parties approach it direct. On receipt by the Ministry of Labour of the letter from the Court it will be passed to the Industrial Relations Branch who will immediately proceed to get into touch with the parties and investigate the circumstances. This branch as its title indicates carries out the work of the Ministry in the industrial field in relation to disputes and their settlement by conciliation or arbitration. It can be no part of this article to describe the work of this Branch of the Ministry, that no doubt will be dealt with elsewhere, but I should like to take this opportunity of recording my appreciation of the work done there and of the statistics and records on industrial matters so readily supplied by the Department to the Court. There is practically no industrial dispute in the country which is not at one time or another taken in hand by the conciliation officers in the Ministry of Labour and if their efforts at conciliation fail, it is in many cases on their intervention or suggestion that the matter is referred by the Minister to the Industrial Court.

The terms of reference are most usually drafted by the parties themselves, more particularly in those trades or industries which have come to the Court more than once, but in quite a large number of cases settling the terms of reference and de-

ciding the persons to come within the reference are matters of some nicety. In these latter cases the assistance of the conciliation officer is very helpful to the parties. Where the issues between the parties are complicated the terms of reference are often in the form of claim and counter-claim, sometimes they are in the form of a statement of facts followed by the contention of each side.

A reference to the Industrial Court is in the following form:—

Industrial Relations Branch,
Ministry of Labour,
Montagu House,
S.W.1.

The following difference is hereby referred to the Industrial Court for settlement under the Industrial Courts Act, 1919.

(i) National Union of Railwaymen.

J. Marchbank,
General Secretary,
Unity House,
Euston Road,
London, N.W.1.

(ii) Southern Railway Company.

G. S. Szlumper,
General Manager,
Southern Railway Company,
Waterloo Station,
London, S.E.1.

Terms of Reference.—

To determine the claim of A. Marson, employed by the Southern Railway Company as a Grade II Fitter in the Engineer's Department at Tonbridge, for regrading as Fitter, Grade I.

Signature *

20th August, 1938.

For the sake of clarity I have set out above the actual words of a reference recently received by the Court, it happens to be a

* The reference is signed by an officer of the Ministry of Labour.

simple issue on the grading of a Railway shopman, but matters in dispute between parties differ widely as the following three references taken out of many cases show:—

I. Plain Hoops Width of Material.

An interpretation of the price to be paid on plain hoops for between sizes in width of material.

This was a request for an interpretation of the Piece Work Price List in the Laminated Spring Trade.

II. To decide a difference between the London County Council and the Representative Body of the London Fire Brigade with regard to the rates of pay of firemen entering the London Fire Brigade on and after 16th March, 1932.

- III. 1. Are the employers justified in contending that the Workers and the Union accepted the principle of the Time and Bonus System and agreed to its extension throughout the factory?
2. If so, was the Agreement dated August, 1933 (as finally settled between the employers and the Union, and recommended for acceptance by the Workers' Negotiating Committee but rejected on ballot by the workers) a fair Agreement giving effect to the settlement arrived at after the strike in June, 1933?
3. If not a fair Agreement or not providing sufficient safeguards against individual hardships, in what way it should be amended.
4. Is the alternative Agreement based on time studied piece work offered by the employers considered a fair and reasonable proposal and one that should commend itself to those workers having an objection to the principle of the Time and Bonus System?
5. If not a fair Agreement, in what way should the same be altered to make it fair?
6. Are sufficient safeguards provided for the consideration of hardships in timing or rating and, if not, in what way should those safeguards be adjusted?
7. The employers claim that the workers on strike are bound by their previous acceptance to agree to work under the Time and Bonus System with proper safeguards.

The Union claims that friction having arisen between the Management and the workpeople resulting in repeated partial stoppages and culminating in a complete cessation of work on

March 13th, as a result of the introduction and proposed extension of the Time and Bonus System, it would be unwise to endeavour to enforce its extension, but consider that the Piece-work Agreement of December, 1934, with suitable adjustments, might provide the basis for a compromise.

The Court is asked to give a decision which both parties agree should be binding upon them.

When the Terms of reference have been received by the Court the President fixes the date of hearing and nominates the Chairman, if he is not presiding himself, and the members of the Court to form the division to hear the case. The Secretary then intimates to the parties the date, time and place of hearing. The Court usually sits in London as the majority of the parties have their head offices in London, but the Court has frequently taken its hearings in Scotland and the provinces. In the letter to the parties the Secretary writes "that if either party intends to use any document or documents at the proceedings six copies should be available at the hearing for the use of the Court. Where a document is relied upon by both sides an arrangement can be made between the parties to avoid duplication." This request is a necessary one, the Court usually sits in a division of three and one copy of the document will be required for each member of the Court, one for the other side and one each for the Secretary and Shorthand Writer.

There are very few rules of practice and procedure in the Court. Under Section 3 of the Industrial Courts Act the Minister of Labour may make or authorise the Industrial Court to make, rules regulating the procedure of the Court and Industrial Court (Procedure) Rules were made by the Minister on 15th March, 1920. They are as follows:—

1. In these Rules:—

the expression "Act" means the Industrial Courts Act, 1919; and the expression "Minister" means the Minister of Labour; and the expression "Court" means the Industrial Court established by the Act, and includes, unless the contrary intention appears, any divi-

sion thereof and any single member of the Court to whom a matter may be referred for determination; and the expression "President" means the President of the Industrial Court; and the expression "Division" means any group of members of the Court constituted as the President may direct to hear and determine any matter referred to the Court.

2. The Court may sit in two or more divisions.
3. Any matter referred to the Court for settlement may, at the discretion of the President, be heard and determined by a single member of the Court.
4. The Court may, at the discretion of the President, in any matter in which it appears expedient to do so, call in the aid of one or more assessors, and may settle the matter wholly or partly with the assistance of such assessor or assessors.
5. The Court may with the consent of the parties act notwithstanding any vacancy in their number, and no act, proceeding, or determination of the Court shall be called in question or invalidated by reason of any such vacancy, provided such consent has first been obtained.
6. The Court may correct in any award any clerical mistake or error arising from an accidental slip or omission.
7. If any question arises as to the interpretation of any award of the Court, the Minister or any party to the award may apply for a decision on such question and the Court shall decide the matter after hearing the parties, or without such hearing, provided the consent of the parties has first been obtained. The decision of the Court shall be notified to the parties and shall be final in the same manner as the decision in an original award.
8. Persons may appear by counsel or solicitor on proceedings before the Court with the permission of the Court.
9. Subject to these rules the Court may regulate their own procedure as they think fit.
10. These rules may be cited as the Industrial Court (Procedure) Rules, 1920.

Little comment is necessary on these Rules which deal very adequately with the major matters of procedure. The Arbitration Act which governs the procedure of ordinary arbitrations does not apply to any reference to the Industrial Court.

The Court usually sits in a division of three, the President or a chairman and two members. The President has availed himself of the power to appoint a single member, but has not done so frequently.

In only one or two cases has the Court sat with assessors and then it has been at the request of the parties. Assessors are really unnecessary, the parties are well able to explain the technical points in their cases and where these are of intricacy the Court views the *locus in quo*, or the machinery, plant, etc., as may be necessary.

Questions of interpretation have from time to time been brought before the Court, the parties in many cases finding it more convenient to raise the point in issue by way of interpretation rather than by a fresh substantive reference. The line between the interpretation and the application of an award is a fine one and points which might possibly be regarded as application have been dealt with under this rule where the parties have desired it. Interpretation cases can, if the parties consent, be dealt with on written statements without a hearing. The rulings of the Court in interpretation cases are issued to the parties in writing in the same manner as an award.

Sometimes when a party has raised a question of interpretation of an award under the provisions of Rule 7 of the Industrial Court (Procedure) Rules, 1920, the other party has objected that the point so raised is not one of interpretation at all. The practice of the Court is to hear the contentions of both sides at a hearing before giving a decision whether the point is one of interpretation or not. The Court take the view that only in this way can the rights of the parties be safeguarded in respect of proceedings taken by them under the provisions of Rule 7 of the Industrial Court (Procedure) Rules, 1920, and proper effect given to that Rule.

When application is made for a party to appear by counsel or solicitor the Court has readily acceded to the request but the

party applying is asked as a matter of courtesy to notify the other side. The applications have not been frequent, as the parties for the most part prefer to conduct their own cases.

The Court has issued no written rules of procedure under the powers given by Rule 9 and no difficulty has been experienced thereby.

The procedure of the Court is of the simplest kind, the claimants are asked to state their case, or if they prefer it they can read it to the Court from a written statement. The Court is entitled to take evidence on oath, but this is not frequently done, and the witnesses are not confined to the strict rules of evidence, unless the other party takes serious objection or it is manifest that the statement would lead to an injustice through the impossibility of testing it either by cross-examination or rebutting evidence.

Hitherto, no difficulty has been experienced by the Court in obtaining from the parties all the salient facts and relevant documents and records necessary for a determination of the matters in issue. The Court has no power to order the production of documents or to compel witnesses to attend to give evidence; but it is obvious that where parties have consented to a matter being referred to the Court for decision, they would ill serve their best interests if they declined to produce the oral or written testimony which the Tribunal required.

At the conclusion of the claimants' case, the case for the respondents is presented to the Court in a similar way, and then the claimants are called upon to reply.

The Industrial Court is a court of arbitration and on the question of whether the public should be admitted to the hearings, the Court has made no rule. The general practice has been to follow what is done in ordinary arbitrations, namely, to hold the hearing in private, but where one of the parties desires that the hearing should be in public and the other party does not object, the Court has acceded to the request.

It is the practice to hear the evidence and arguments of the parties orally in Court and only in one case, apart from questions of interpretation, has a decision been given on written statements without a hearing and that was done at the express wish and by the consent of the parties.

The Court does not give oral judgments but issues its decisions in the form of written awards. These awards set out the facts of the case, the arguments of the parties and the award of the Court. Typewritten copies of the Awards are supplied to the parties as soon as the decision has been come to, which is usually within a few days of the hearing, except in cases of unusual complexity or where further documentary evidence such as statistics and returns are required. The awards are printed and published by His Majesty's Stationery Office and can be purchased by the general public. Of a notable award (No. 728) dealing with the case of railway shopmen, some 30,000 copies have been sold. The Court issues through the Stationery Office an annual volume of its awards.

As the Court usually sits in a division of three it is not feasible for an oral judgment to be delivered straightway, for the members of the Court must confer to ascertain the views of one another on the facts and to have an opportunity of discussing and settling the actual terms of their award. It is provided in the Industrial Courts Act that where the members of the Industrial Court are unable to agree as to their award, the matter shall be decided by the chairman acting with the full powers of an umpire. This provision has only been called into use on a few occasions and the instances when it arose were in Civil Service cases.

In the discussions the evidence and arguments of the parties are reviewed by the Court judicially and its conclusions are reached on the opinions formed by the members of the Court from their experience and training. A decision having been reached in principle, every care is taken to ensure that in its

terms the award shall be consistent with the practices of the trade, industry or service concerned. The Industrial Courts Act itself provides that where any dispute referred to the Industrial Court involves questions as to wages, or as to hours of work, or otherwise as to the terms or conditions of or affecting employment which are regulated by any Act other than the Industrial Courts Act, the Court shall not make any award which is inconsistent with the provisions of the other Act.

The Industrial Courts Act provides that the expenses of the Industrial Court shall be paid out of moneys provided by Parliament, but the Act is silent on the subject of the costs and expenses of the parties. There are no Court fees payable and the Court does not award costs or expenses to any party. The parties for the most part in bringing their cases before the Court have little expense other than that of the preparation of the case and the time taken by the representatives and witnesses attending the hearing.

The Act of Parliament further contains no provision for the enforcement of an award in the event of either party refusing to comply with its terms. As the Arbitration Act, 1889, does not apply, the award cannot be made a judgment of the High Court. No case, however, can be referred to the Industrial Court without agreement between the parties and in bringing their case to the Court they have presumably agreed to abide by the Court's decision and that its award shall be incorporated in the terms of employment and so be enforceable in an ordinary civil action for breach of contract. Certain industrial agreements have provisions that in the case of failure to agree the matter in difference shall be submitted to the Industrial Court.

The cases referred to the Court have covered a wide range of industries and there are few important industries in the country from which cases have not at one time or another been re-

ferred. The cases vary in importance from those affecting a whole industry to those affecting an individual employee.

In May, 1923 the Chancellor of the Exchequer announced that the Government were prepared to accept the principle of arbitration for the Civil Service and in February, 1925 an agreement was reached for cases to be referred to the Industrial Court. By the terms of the agreement arbitration was to be open to Government Departments on the one hand and to recognised Associations of Civil Servants within the scope of the National Whitley Council for the Administrative and Legal Departments of the Civil Service and of Departmental Whitley Councils allied thereto on the other hand.

Under the agreement the claims eligible to be dealt with by the Court were claims affecting emoluments, weekly hours of work and leave of classes of Civil Servants, but the cases of individual officers were excluded. The word "emoluments" included pay and allowances of the nature of pay, bonus, overtime rates, subsistence rates, traveling and lodging allowances.

The term "class" meant any well-defined category of Civil Servants who, for the purpose of a particular claim, occupy the same position or have a common interest in the claim. There was an over-riding limit restricting the claims to classes with salaries below a certain amount, the figure being roughly about a thousand pounds.

Many cases affecting classes in the Civil Service were dealt with by the Industrial Court, but recently the terms of the agreement were revised and a new agreement was made between the two sides of the Civil Service National Whitley Council on 19th October, 1936, under which Civil Service questions are referred to the Civil Service Arbitration Tribunal. The Tribunal hears cases and issues awards under a procedure somewhat similar to that of the Industrial Court.

Apart from questions coming to the Court where the parties agree to have their differences referred, the Minister of

Labour has power to refer to the Industrial Court for advice any matter relating to or arising out of a trade dispute, or trade disputes in general or trade disputes of any class, or any other matter which in his opinion ought to be so referred.

This is undoubtedly a useful provision, for it enables the Minister of Labour to obtain the report by an independent body for the guidance of himself and his officers in dealing with the dispute. It must be remembered, however, that if the parties are at arm's length one side or the other, or possibly both, may refuse to appear before the Court. In practice, the Minister has not needed to avail himself to any great extent of this procedure because the conciliation machinery leads more conveniently to ordinary arbitration. In those matters which have been referred under this provision of the Act of Parliament, the parties to the dispute appeared before the Court and made their submissions in accordance with the usual procedure and the Court sent its advice to the Minister of Labour. This method of dealing with a dispute has this advantage, a party who may be unwilling to agree that a final judgment shall be given by the Court may yet be willing to have the matter referred for an opinion which is in no way binding, but can be subsequently considered before being accepted.

The ordinary jurisdiction of the Industrial Court depends, as we have seen, on the agreements of the parties, but in addition to this there are certain matters relating to driving time and wages and conditions of employment which, under the provisions of several Acts of Parliament, have to be referred to the Industrial Court for advice or settlement. The Acts of Parliament in question are the Road Traffic Act, 1930, as amended by the Road and Rail Traffic Act, 1933; the Sugar Industry (Reorganisation) Act, 1936, which superseded the British Sugar (Subsidy) Act, 1925; the Air Navigation Act, 1936; and the Road Haulage Wages Act, 1938.

Section 19 of the Road Traffic Act, 1930, defines the limita-

tions of time for which drivers of certain motor vehicles may remain continuously on duty, with a view to protecting the public against the risks which arise in cases where the drivers of motor vehicles are suffering from excessive fatigue. Variations in the periods of time prescribed in the section may be made by the Minister of Transport who is the Minister referred to in the Act. The procedure under which the Minister may make variations is laid down in sub-section (3) of Section 19 of the Act and it is in the following terms:—

- (3) The Minister may, on the application of a joint industrial council, conciliation board, or other similar body, or on a joint application by such organisations, representative of employers and workpeople in the industry, as the Minister of Labour may certify to be proper bodies to make such an application, and after referring the matter to the Industrial Court for advice, by order vary the periods of time prescribed in this section, provided that he is of opinion that such variation is not likely to be detrimental to the public safety.

Any order made under this sub-section may be revoked or varied by a subsequent order made in like manner and subject to the like conditions.

It is to be noticed that under this section of the Act of 1930 the application had to be a joint one of representatives of employers and workpeople, but this provision was subsequently amended by Section 31 of the Road and Rail Traffic Act, 1933, to an organisation representative of either employers or workpeople.

The organisation makes its application to the Minister of Transport for the variation which it seeks, the Minister then refers the matter to the Minister of Labour and if he certifies that the organisation is a proper body to make the application, he refers the application to the Industrial Court at the request of the Minister of Transport for advice. The certificate of the Minister of Labour is an important step in the procedure to prevent applications being made by irresponsible bodies.

When the reference is received by the Industrial Court a

date of hearing is fixed by the Court, usually with an interval of at least a fortnight. The hearing is publicly advertised by the Minister of Transport giving the date and place of hearing, setting out the application made and intimating that any persons representing organisations of employers or workpeople in the industry who may desire to make representations to the Court in the matter should either give notice beforehand to the Secretary of the Industrial Court that they desire to be heard or submit their representations in writing to the Secretary.

The matter is then dealt with by the Court as in an ordinary reference and after hearing the various parties who may appear the Court sends its advice through the Minister of Labour to the Minister of Transport. The advice given to the Minister is not of course published by the Court in the form of an award.

The other cases which are to be referred to the Industrial Court for decision under the provisions of these Acts of Parliament deal with wages and conditions of employment. In three instances the principle of the Fair Wages Resolution of the House of Commons has been incorporated in the sections of the Acts concerned as the test to be applied by the Court in its determination and it is convenient, therefore, at this point to say something of the origin and history of the Fair Wages Resolution.

The question of the payment of fair wages by Government contractors has been discussed and considered by the House of Commons on more than one occasion. The first "Fair Wages" Resolution was passed by the House of Commons on 13th February, 1891, and is in the following terms:—

That, in the opinion of this House, it is the duty of the Government in all Government contracts to make provision against the evils recently disclosed before the Sweating Committee, to insert such conditions as may prevent the abuse arising from sub-letting and make every effort to secure the payment of such wages as are generally accepted as current in each trade for competent workmen.

By a Treasury Minute dated 14th August, 1907, a committee was set up to consider the working of the Resolution of 1891. The Committee made recommendations to amend the Resolution and also proposed the setting up of a Fair Wages Advisory Committee, consisting of representatives of the different contracting departments.

After the Committee had issued their report the subject was again debated in the House of Commons on 10th March, 1909, when the following resolution was agreed to:—

That, in the opinion of the House, the Fair Wages Clauses in Government Contracts should be so amended as to provide as follows:—

The Contractor shall, under penalty of a fine or otherwise, pay rates of wages and observe hours of labour not less favourable than those commonly recognised by employers and trade societies (or, in the absence of such recognised wages and hours, those which in practice prevail amongst good employers) in the trade in the district where the work is carried out. Where there are no such wages and hours recognised or prevailing in the district, those recognised or prevailing in the nearest district in which the general industrial circumstances are similar shall be adopted. Further, the conditions of employment generally accepted in the district in the trade concerned shall be taken into account in considering how far the terms of the Fair Wages Clauses are being observed. The Contractor shall be prohibited from transferring or assigning, directly or indirectly, to any person or persons whatever, any portion of his contract without the written permission of the department. Sub-letting, other than that which may be customary in the trade concerned, shall be prohibited. The Contractor shall be responsible for the observance of the Fair Wages Clauses by the Sub-Contractor.

This clause has since been adopted in Government Contracts. All questions relating to non-compliance with this resolution are dealt with in the first place by the Government Department concerned with the contract, but for the purpose of co-ordination of the action of Government Departments in giving effect to the resolution, advice is given by the Fair Wages Advisory

Committee, which consists of representatives of the principal Contracting Departments, the Treasury and the Ministry of Labour, the Chairman and Secretary of the Committee being provided by the Ministry of Labour.

The Fair Wages Resolution itself relates to the wages and conditions of employment of the workpeople employed by companies or firms who are under contract with a Government department, but its principles have been applied in a far wider sphere. The wages of industrial employees in the Government service are based on similar principles. In 1904 a resolution was passed by the House of Commons that it was of opinion that the wages paid to the unskilled workers in Government factories and shipyards should be not less than the standard rate of wages for similar work in other employments in the respective districts; and in the debate on the Fair Wages Resolution itself it was stated that the terms of the resolution would be applied not only to contractors, but also to the Government departments employing labour.

In 1924 in a case referred to the Industrial Court concerning the rates of pay of the "unskilled" labourers employed in the Royal Dockyards and other Admiralty Establishments, the Court in its award expressly referred to the 1904 resolution and the statement set out above. In 1927 in a claim by the Manipulative Grades in the Post Office covering 142,230 persons the Court set out in its Award its general conclusion in the following terms:—

In the consideration of the claims and counterclaims the Court have taken the view that the broad principle which should be followed in determining the rates of wages of Post Office servants is that of the maintenance of a fair relativity as between their wages and those in outside industries as a whole, and as between the various classes within the Postal Service, with due regard to the adequacy of the payment for the work done and the responsibilities undertaken.

The view of the Court as stated in the Post Office case was with regard to employees in Government service but its principles, and those of the Fair Wages Resolution, can in many instances be applied to workpeople in trades and industries. The rates of wages in one industry are frequently interdependent on the rates in another and the rates of pay in one district may have a differential from those in another district. To adjust and keep in harmony the different factors in a many sided problem has been the objective of the Industrial Court and in this aim the principles laid down in the Fair Wages Resolution have been relevant and important considerations in very many cases.

The Acts of Parliament previously referred to have, in three instances, embodied the principles of the Fair Wages Resolution and have made the Industrial Court the final arbiter as to whether the provisions of that resolution have been complied with or not, it would seem that as protection or assistance has by these Acts been afforded to the employers, the legislature deemed it only right that the wages and conditions of employment of the workmen should also be protected.

In the case of Road Traffic, employers receive some measure of protection from the competition of other undertakers in so far as this is restricted by the Traffic Commissioners acting under the provisions of the Act of Parliament, and the wages and working conditions of persons employed by them accordingly receive the protection of the provisions of the Fair Wages Resolution.

The Sugar Industry (Reorganisation) Act, 1936, creates the British Sugar Corporation Limited, an amalgamation of all the earlier companies manufacturing sugar from home-grown beet, and under the Act provision is made for the Government to grant financial aid to the Corporation. Under the Air Navigation Act, 1936, a somewhat similar provision is made that the

Government can enter into agreements with firms for subsidising air transport. Employees in the British Sugar Corporation Limited and in firms subsidised for air transport are therefore given under these two Acts the protection of the provisions of the Fair Wages Resolution.

The sections of these Acts of Parliament dealing with the wages and working conditions of the persons employed are in somewhat similar terms and it will suffice to set out the terms of one only, namely Section 93 of the Road Traffic Act, 1930, which is as follows:—

- 93.—(1) The wages paid by the holder of any road service licence to persons employed by him in connection with the operation of a public service vehicle and the conditions of their employment shall not be less favourable to them than the wages which would be payable and the conditions which would have to be observed under a contract which complied with the requirement of any resolution of the House of Commons for the time being in force applicable to contracts with Government Departments.
- (2) Any organisation representative of the persons engaged in the road transport industry may make representations to the commissioners to the effect that the wages paid to, or the conditions of employment of any persons employed by the holder of any road service licence are not in accordance with the requirements of the preceding sub-section, and if the matter in dispute is not otherwise disposed of it shall be referred by the Minister of Labour to the Industrial Court for settlement.
- (3) If it is decided by the Industrial Court that any person has been guilty of a breach of the provisions of this section, he shall be liable to be dealt with in all respects as if he had failed to comply with a condition attached to his road service licence.

The provisions of this section have been amplified by Section 32 (1) of the Road and Rail Traffic Act, 1933, which gives a direction as to certain matters that the Court shall have regard

to in coming to its determination. That section is in the following terms:—

- 32.—(1) Where any matter is referred to the Industrial Court under section ninety-three of the Road Traffic Act, 1930 (which relates to wages and conditions of employment), the Court, in arriving at its decision, shall have regard to any determination which may be brought to its notice relating to the wages or conditions of service of persons employed in a capacity similar to that of the persons to whom the reference relates and contained in a decision of a joint industrial council, conciliation board or other similar body, or in an agreement between organisations representative of employers and workpeople.

A number of cases have been referred to the Court under the provisions of the Road Traffic Act. It is to be noted that in dealing with the cases under these Acts of Parliament which apply the principles of the Fair Wages Resolution, the question for the decision of the Court is whether the provisions of that Resolution have been complied with or not. In other words, has the employer been guilty of a breach of the provisions of the section, and for this purpose it would be sufficient for the Court to give a simple award, yes or no. In a case where the Court comes to the conclusion that there has been no breach, no difficulty arises, but in a case where the Court is satisfied that there is a breach, the matter is not quite so simple.

In one of its earlier decisions the Court decided simply that the employer was in breach of the provisions of the section and shortly after the decision the question arose as to how he should alter his wages and conditions of employment in order to comply with the provisions of the section. A breach of the provisions of the section is deemed to be a failure to comply with a condition of the employer's road service licence and this matter is one for the decision of the Traffic Commissioner. In subsequent cases the Court has given its decision in wider terms

so as to clarify the position both for the employer and the Traffic Commissioner.

It is only natural that the party who has been brought before the Court will desire to know in exactly what respects he is, in the Court's judgment, guilty of a breach of the provisions of the section. The Fair Wages Resolution lays down two main tests, namely, that the employer shall pay rates of wages and observe hours of labour not less favourable than those commonly recognised by employers and trade societies in the trade in the district where the work is carried out, or in the absence of such recognised wages or hours those which in practice prevail amongst good employers in the trade in the district where the work is carried out. Where there are no such wages and hours recognised or prevailing in the district, those recognised or prevailing in the nearest district in which the general industrial circumstances are similar, are to be adopted.

The Court has to ascertain whether there are commonly recognised rates of wages and hours of labour or, if not, what are the rates of wages and hours of labour which in practice prevail amongst good employers, and then compare these with the rates of wages and hours of labour of the employer before them and determine if, and how far, he may be in breach.

For instance, in one case the Court decided that the employer was in breach of the provisions of Section 93 (1) of the Road Traffic Act, 1930, in so far as—

- (a) the rates of wages of drivers are less than 1s. 3d. an hour,
- (b) the rates of wages of conductors are less than 1s. an hour,
- (c) all time worked in excess of 48 hours in a week is not paid for at the rate of time-and-a-quarter,
- (d) all time worked on rest days, Good Friday and public Bank Holidays, is not paid for at the rate of time-and-a-quarter.

In August 1937, Mr. Ernest Brown, Minister of Labour, appointed a Committee to consider the working of the Fair

Wages Resolution of the House of Commons of 10th March, 1909, as embodied in Government contracts, and to advise whether any changes are desirable and practicable. The Committee was constituted of representatives of Government departments, trade unions and employers' organisations, with an independent chairman. During the course of the Committee's proceedings the Trades Union Congress General Council approached the employers' organisations to see whether it would not be possible for these bodies to draft and agree on a new or amended Fair Wages Resolution and the proceedings of the Committee have been adjourned whilst a joint conference is taking place.

A further development of industrial law has recently been made under the Road Haulage Wages Act, 1938. Motor vehicles used commercially in road haulage are divided into classes in accordance with their licences, namely, A, B and C. The divisions can roughly be described as follows:— the "A" licence is a public carrier's licence, the holder using his authorised vehicle for the carriage of goods for hire or reward; the "B" licence is a limited carrier's licence, the holder of it being at liberty to use his vehicle for the carriage of goods for hire or reward or in connection with his own trade or business; the "C" licence is the private carrier's licence which entitles the holder to use the authorised vehicle in connection with his trade or business.

The Road Haulage Wages Act, 1938, which was passed in July last, makes provision with respect to the remuneration of persons employed in connection with the mechanical transport of goods by road. Under this Act, road haulage work in connection with any goods vehicle specified in an A licence or a B licence comes within the purview of a Central Board and Area Boards to be set up under the Act of Parliament. These Boards have power to make, and assist in making, arrangements for the settlement of disputes and differences, and the Central

Board may submit proposals for fixing the remuneration to be paid to any workers to the Minister of Labour who is empowered to make an Order giving effect to the proposals. Any Order so made by the Minister of Labour is referred to in the Act as a Road Haulage Wages Order and is binding on the holders of A and B licences.

With regard to road haulage work in connection with any goods vehicle specified in a C licence, power is given to the Minister of Labour, on application being made to him by a road haulage worker, or a trade union of which he is a member, or a trade union which in the opinion of the Minister represents a substantial number of workers employed in road haulage work, to refer questions as to unfair wages to the Industrial Court. The part of the Act of Parliament dealing with references to the Industrial Court is not to come into operation until the date on which the first Road Haulage Wages Order made under the first part of the Act comes into force. No Road Haulage Wages Order has yet been made and, therefore, no case has as yet been referred to the Industrial Court under this Act of Parliament.

When a case is referred by the Minister of Labour to the Industrial Court under the provisions of this Act of Parliament, the duty of the Court will be twofold, one to decide whether the remuneration paid to the worker in respect of the road haulage work on which he was employed was unfair and secondly, if it finds that it is unfair, to fix the remuneration to be paid in respect of that work. Under the three Acts previously referred to, the Court's duty was to ascertain what are fair wages and then to decide if the employer paying these or not; under this Act the Court's duty is wider and it fixes remuneration which under the Act is called "statutory remuneration."

The actual words of the Act of Parliament are so important that I make no apology for setting them out at length.

Sub-section 3 of Section 4 is as follows:—

- (3) For the purposes of this Part of this Act, the remuneration paid by an employer to a worker in respect of any work shall not be deemed to be unfair if either—
- (a) it is equivalent to that which would have been payable under any road haulage wages order in respect of that work if the work had been work to which Part I of this Act applies; or
 - (b) it is in accordance with any agreement in force made between the employer or any organisation of employers of which he is a member and any trade union, being an agreement regulating the remuneration in respect of that work of workers employed in the same trade or industry as the worker; or
 - (c) it is equivalent to the remuneration payable in respect of that work to similar workers by other employers in the district engaged in the same trade or industry as the employer, in pursuance of any agreement made between an organisation of employers which represents a substantial number of employers in that trade or industry and any trade union, being an agreement regulating the remuneration in respect to similar work of workers employed in that trade or industry; or
 - (d) it is equivalent to the remuneration payable in respect of that work to similar workers by employers in the district engaged in the same trade or industry as the employer, in pursuance of any decision of a joint industrial council, conciliation board, or other similar body, regulating the remuneration in respect of similar work of workers employed in that trade or industry; or
 - (e) it is equivalent to the remuneration which, in accordance with a decision of the Industrial Court given upon a reference to that Court under this Part of this Act is payable in respect of that work to a worker employed by some other employer in the district engaged in the same trade or industry as the employer.

Section 5 is in the following terms:—

- 5.—(1) If in any proceedings upon a reference to the Industrial Court under this Part of this Act the Court finds that the remuneration paid to the worker in respect of the road haulage work

on which he was employed was unfair, it shall be the duty of the Court to fix the remuneration to be paid in respect of that work, and in the provisions of this Act hereinafter contained references to 'statutory remuneration' shall be construed as including references to remuneration so fixed.

- (2) The power of the Industrial Court under this Part of this Act to fix statutory remuneration to be paid to any workers shall include power to fix holiday remuneration and to require such remuneration to be paid to them in addition to remuneration payable for the road haulage work actually done by them.
- (3) In determining whether the remuneration paid to a worker in respect of the work on which he was employed was unfair, and in fixing any statutory remuneration, the Industrial Court shall have regard not only to the provisions of sub-section (3) of the last foregoing section (this is sub-section 3 of the section 4 which is set out above) but also to any agreements brought to its notice which are in force between organisations of employers and trade unions and regulate the remuneration of workers engaged on work similar to that of the worker in trades or industries which in the opinion of the Court are comparable to the trade or industry in which the worker is employed, to the general level of remuneration paid to workers in that trade or industry other than road haulage workers, and to such further circumstances as the Court considers relevant.
- (4) In fixing any statutory remuneration, the Industrial Court shall specify the nature of the work in respect of which the remuneration is to be payable, and if a daily or weekly rate is fixed, the time for which the worker must be employed on road haulage work in any day or in any week respectively in order to render the daily or the weekly rate payable, and if any overtime payment is fixed, the number of hours of employment by his employer after which the overtime payment is to be payable to the worker, and the order shall contain such further provisions as may be necessary for defining the employment in respect of which the statutory remuneration is to be payable and for enabling the remuneration payable to the worker to be ascertained.

- (5) The Minister may make regulations as to the publication of decisions of the Industrial Court upon references under this Part of this Act.
- (6) The statutory remuneration fixed by the Industrial Court in respect of any work upon a reference to the Court under this Part of this Act shall, as between the employer of the worker by whom or on whose behalf application for the reference was made, and all workers employed by that employer on that work, be in force for a period of three years from the beginning of the week next after the date on which the statutory remuneration was so fixed, and as between that employer and the worker by whom or on whose behalf application for the reference was made the statutory remuneration shall also be deemed to have them in force for such earlier period not exceeding six months as the Court may direct.

Provided that, while statutory remuneration is in force under this section as between an employer and any worker, the employer or an organisation of employers of which he is a member or any such worker or a trade union of which such a worker is a member may, in the prescribed manner, make an application to the Minister for a review of the remuneration and thereupon the Minister shall refer the matter to the Industrial Court, and that Court may proceed thereon in like manner in all respects as in the case of an original reference, so, however, that no application for a review of any statutory remuneration fixed by the Court shall be made within three months after the remuneration has been so fixed or has last been reviewed by that Court.

- (7) In any proceedings upon a reference to the Industrial Court under this Part of this Act, any organisation of employers or any trade union appearing to the Court to have an interest in the question referred to the Court shall have a right to attend and be heard.

I have endeavoured to set out in this article the constitution and jurisdiction of the Industrial Court. Its development has grown side by side with the development of conciliation in industry. Where trades and industries have become better organised, the parties themselves have been able to make their

own machinery and use it for the adjustment of disputes and, in the event of a failure to agree, to resort to arbitration. In some instances the legislature itself has invoked the jurisdiction of the Court to decide fair wages and, in the last case to which I have referred, has invoked it to a still larger extent than before.

During its nineteen years of existence, in addition to those cases where advice has been given and no award published, the Industrial Court has issued over 1,700 awards dealing with a diversity of matters in many trades and industries and in the Civil Service. Of these awards in four cases only have the parties refused to abide by the terms of the decision. The number of cases coming to the Court naturally differs from year to year, as economic and industrial changes in the country account for the ebb and flow of its work. In the complexities of present day industrial competition, disputes must needs arise, and where agreement cannot be reached it is well to have a standing Court of Arbitration to which the parties may turn to state their cases and obtain an independent judgment on the points in issue. The fact too that decisions of far reaching importance are to be made by the Industrial Court under the statutes to which I have referred has added to its standing. In comparison with the ordinary Courts of the land, whose principles of jurisprudence have been evolved and established through centuries, nineteen years is only a short span, but after those nineteen years the Industrial Court may now fairly claim to have become a fundamental part of the great organisation which has been set up during the past thirty years for dealing with the settlement of questions between employers and work-people.

INDUSTRIAL RELATIONS AND THE BRITISH TRADE BOARD SYSTEM

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THE system of Trade Boards in Great Britain serves a double purpose; it provides against sweating in the trades to which it applies, and it also provides for the regulation of rates of wages in these trades. It may seem that there is little or no distinction between these two functions, but historically they were arrived at through different approaches and for motives which are distinguishable and which are reflected in the provisions of the 1909 and 1918 Acts respectively.

The 1909 Act was a social protest against sweating. It provided for the establishment of Trade Boards where rates of wages were "exceptionally low," as compared with those in other employments. The 1909 Act was the product of the social conscience. The 1918 Act was the product of a general desire, expressing itself in various ways towards the end of the war, for the provision of a complete system of industrial negotiating machinery throughout all trades and industries in the country. The Whitley Committee had suggested that the well-organised industries should have their Joint Industrial Councils; the less well organised, Interim Reconstruction Committees; and the remainder, insufficiently organised for



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machinery on a voluntary basis, Trade Boards. The result of this public opinion concerning industrial relations was seen, so far as the lesser trades were concerned, in the amending Trade Boards Act of 1918. This Act empowers the Minister to establish new Trade Boards for trades where, in his opinion, no adequate machinery exists for the effective regulation of wages throughout the trade. True, he must "have regard to" the rates of wages prevailing in the trade, or any part of it, but the emphasis is on the degree of organisation. Following the passing of the 1918 Act, a large extension of the Trade Board system took place. With the coming of the post-war depression, however, the policy of a generous extension of the Trade Board system was abandoned and since 1922 few new Boards have been established.* The practice of the Ministry of Labour in recent years has been to administer the Acts on a basis somewhere between the anti-sweating criterion of 1909 and the existence-of-effective-machinery-for-negotiating criterion of 1918.

When the Minister has decided to apply the Acts to a new trade, he gives notice of his intention so to do and publishes the proposed definition of the trade concerned. At this stage, any person concerned may object to the application of the Acts to the trade as a whole, or may object to the proposed definition of the trade. Where objections are received, the Minister must (unless the objections are frivolous) either amend or withdraw the Order or direct a public enquiry to be held by a competent person not in the employment of any Government Department. In fact, the course of holding a public enquiry is now always taken when objections are received. After the enquiry, the Minister must consider the report of the person appointed to conduct the enquiry and may then deal with the draft Order as he thinks fit. If the draft is amended, a further

* A list of Boards at present operating is appended.

notice of intention to make the Order must be given and will again be subject to the procedure of objection and enquiry.

A word may be said here as to the origin of the demand for the application of the Acts to any trade. Normally in the past this demand has come from some Trade Union which, having some comparatively small membership in the trade, appreciates the need for statutory assistance in the establishment of minimum rates. It is interesting to observe, however, that the last Trade Board established (the Banking Trade Board) was first proposed by organised employers in the trade who took the line that, as they were paying rates agreed upon between their organisation and the Trade Unions concerned, they ought to be protected against unorganised competitors who were paying such rates as they thought fit.

When an Order has been made, the Trade Board is established. It consists of an equal number of representatives of employers and representatives of workers, together with three "appointed members" who are neither Government servants nor persons interested in the trade. All these persons are appointed by the Minister, but in the case of the representative members the Minister considers nominations which may be submitted by employers' and workers' organisations concerned in the trade. The Minister requires that the representative members should adequately represent the different areas where the trade is carried on; the different branches or processes of the trade, and men and women workers respectively. Subject to the fulfilment of these requirements, the nominations submitted by the organisations in the trade are normally accepted by the Minister.

Each Trade Board is required to fix general minimum time rates for men and women in the trade. In addition, each Board may, if it wishes, fix (1) General Minimum Piece-Rates (2) Piece-Work Basis Time-Rates (3) Guaranteed Time-Rates

(4) Special Minimum Piece-Rates (5) Overtime rates (6) Holiday remuneration.

General Minimum Piece-Rates require no explanation.

Piece-Work Basis Time-Rates are rates applicable to piece-workers but fixed in hourly terms. Thus, if a Piece-Work Basis Time-Rate of 1/- per hour is fixed, any piece-worker to whom the rate is applicable must be paid piece-rates which will yield in the circumstances of the case not less than 1/- an hour to *ordinary* workers (i.e. workers of ordinary skill and experience in the class of work in question. Neither abnormally slow nor abnormally fast workers would be considered "ordinary.") Where neither General Minimum Piece-Rates nor a Piece-Work Basis Time-Rate has been fixed, piece-rates paid to workers must yield to the ordinary worker not less than the equivalent of the General Minimum Time-Rate.

Guaranteed Time-Rates are fixed with the object of guaranteeing a minimum to piece-workers according to the time they have worked and irrespective of their output.

Where an employer desires to employ workers on piece-work for which no General Minimum Piece-Rates have been fixed by the Trade Board, he may request that the Board should fix Special Minimum Piece-Rates for his work and the Board must comply with such a request. An application for the fixing of such rates relieves the employer of himself estimating piece-rates which will yield to his workers the equivalent of the Piece Work Basis Time-Rate (or the General Minimum Time-Rate where no Piece-Work Basis Time-Rate has been fixed). Exceedingly few employers have had Special Minimum Piece-Rates fixed, and none are in operation at the moment.

Trade Board rates may be fixed so as to apply generally to all workers in the trade (in which case a rate would be fixed for adult men, with a corresponding scale for juniors, and another rate would be fixed for adult women, with a corresponding

scale for juniors), or so as to apply to any classes of workers in the trade defined by the Board. Thus, differentiation may be made between skilled, semiskilled and unskilled workers, or say, between workers in the wholesale section of a trade and workers in the retail section, or between workers employed during normal hours and workers on a two-shift system or on a night shift. Rates may also be fixed so as to apply nationally, or separate rates may be fixed for different districts. A Trade Board may declare the normal number of hours per day and/or per week in its trade and may fix special overtime rates for all time worked in excess of those hours. Apart from this fixing of special rates for overtime, Trade Boards have no control over the hours of work.

The power to fix remuneration for holidays is newly conferred on Trade Boards by the Holidays with Pay Act, 1938. The Act empowers Trade Boards to prescribe holiday periods up to one working week per annum for workers in respect of whom minimum rates are fixed. In prescribing the holiday, the Boards may fix rates of remuneration for the holiday. This power has been so recently conferred that no Trade Board yet has a paid holiday scheme in operation, but all the Boards are now preparing schemes.

It is very important to note that all rates fixed by Trade Boards are minimum rates, statutorily enforceable under the Criminal Law. It is open to any worker, or his Trade Union on his behalf, to secure as much more than the Trade Board rate as he can, but employers may not pay less. In most Trade Board trades Trade Unions have managed to get more than the minimum rates where organisation is good enough.

Parliament has not defined any standard in accordance with which Trade Board rates must be fixed. The Boards have only the known intention of Parliament to guide them. In fact, arguments on rate proposals embrace all the factors usually taken into account in industrial negotiations—the cost of living,

"what the trade can bear," the nature of the work and the skill required are all brought into consideration. The special factor which is present in Trade Board discussions is the presence of the appointed members and their power ultimately to vote with one side against the other. It should not be thought, however, that appointed members desire to use this ultimate power of arbitration. They always consider it their first duty to act as conciliators and to bring the two sides to agreement, or as near agreement as possible. It is only when the two sides finally differ that the appointed members exercise their voting power.

When a vote is taken the two sides of a Board are equalised, should the attendance on each side be unequal, by the abstention of the necessary number of members on the side having the greater number present. The side having the majority of members present is not obliged to equalise, but should they refuse to do so, the Chairman has the right to adjourn the meeting of the Board. Most Boards exercise the individual vote, but in some cases for special reasons the Minister has by regulation permitted the Board to vote by sides, the majority vote of each side in these cases binding the whole side.

Having decided upon a rate, a Trade Board must give notice of proposal of its intention to fix that rate, with full details. During a period of two months objections to the proposed rate may be sent in by any interested persons. At the end of the objection period, the Board meets again to consider the objections and to determine whether or not the rate shall be fixed. As a full-dress discussion takes place before rates are proposed, it is not often that the consideration of objections leads to an alteration in the Board's proposals. Where an alteration is made, new notice of proposal must be given.

When the Board has fixed a rate, its decision is forwarded to the Minister of Labour who may either confirm it or refer it back to the Board for further consideration. It is important to note that the Minister may not himself alter a rate which

has been fixed by a Board. Once the Minister has confirmed the rate, the Trade Board gives notice to all employers in the trade, who are required to post notices specifying the rate in all places where workers concerned are employed or where work is given out to home-workers.

Trade Boards may establish District Committees if they wish to do so, and may delegate to them any power of the Board except the proposing and fixing of rates. Where District Committees are established, no rate, either national or district, may be fixed without consultation with the Committee. District Committees are not, however, essential to the fixing of district rates; such rates may be fixed by a Trade Board which has no District Committees.

The variation or cancellation of any rate fixed may take place in the same manner as the fixing of a new rate.

In fixing rates for learners or apprentices the Boards may attach a condition that such workers shall be registered with the Board and such further conditions as they think necessary for securing the effective instruction of learners or apprentices in the trade.

In the case of workers who, through any infirmity or physical injury, are incapable of earning a minimum rate fixed, and who cannot suitably be employed on piece-work, the Board may grant a permit of exemption specifying the rate less than the minimum rate at which the worker may be employed. Such permits may be granted for a fixed or indefinite period and may be revoked by the Board.

The Minister of Labour is responsible for the enforcement of all Trade Board rates in operation and for this purpose employs a special staff of inspectors. Employers are usually warned before prosecution, but when prosecuted for breaches of the Acts they may be fined, in addition to being ordered to pay arrears of wages due. Employers are obliged, under penalty, to post Trade Board notices and to keep such records

of wages as are necessary to show that the provisions of the Acts are being complied with. In any prosecution of an employer for underpayment it lies on the employer to prove that he has not paid less than the appropriate minimum rate. Inspectors have a right of entry to factories and to places used for giving out work to out-workers; to inspect wages records and lists of out-workers; and to examine any person concerned.

Provision is made for the withdrawal of the Trade Boards Acts from any trade to which they have been applied. The procedure is the same as that for establishing a Board. So far the Acts have not been withdrawn from any trade to which they have been applied, though Boards established in the grocery trade have been allowed to lapse. There is, however, a strong agitation now proceeding for their reestablishment.

In conclusion, a word may be said as to the effect of Trade Boards on industrial efficiency. Many an employer, especially in the early days, was certain that the intervention of a Trade Board in his business would mean his ruin. Experience has proved that there was no foundation for these fears; indeed it may be argued on the other hand that Trade Boards have resulted in increased industrial efficiency. Unregulated low wages put a premium on incompetency in business, which, under those conditions, could always be offset by cutting rates of pay. When Trade Boards put an end to this, employers who had been trading on such a basis were encouraged to seek their remedy in better organisation rather than in low wages. Some very interesting evidence in this connection was given to a Government Committee of Enquiry in 1922, by Mr. W. E. Counsell, the official inspector in charge of special enquiries under the Trade Boards Acts. Mr. Counsell said: "Many employers frankly welcome the fixing and enforcing of minimum rates because they provide a basis for equitable competition by materially reducing, if not eliminating, that element of the trade which previously "cut" market prices by "trimming" the

wages of its workers. That the enforcement of these minimum rates have resulted in most employers acquiring a greater knowledge of the details of their businesses is beyond question."

EXTRACT From the Evidence of Mr. W. E. Counsell (Trade Board Inspector in Charge of Special Enquiries) Given to the Committee Appointed to Enquire into the Working and Effects of the Trade Boards Acts (The Cave Committee) in February, 1922.

EFFECT OF TRADE BOARD LEGISLATION ON INDUSTRIAL EFFICIENCY.

Many employers frankly welcome the fixing and enforcing of minimum rates because they provide a basis for equitable competition by materially reducing, if not eliminating, that element of the trade which previously "cut" market prices by "trimming" the wages of its workers.

That the enforcement of these minimum rates has resulted in most employers acquiring a greater knowledge of the details of their businesses is beyond question, and may properly be attributed to one or more of the following factors:—

- (a) Realisation of the possibilities of increasing industrial efficiency by improved methods of working, thus maintaining rates of wages while reducing costs of production.
- (b) Sympathy with the Acts and anxiety to carry out their provisions.
- (c) Knowledge that non-compliance might incur liability for proceedings.

While it is true to say that each advance in the minimum rates causes a large number of employers to look around with a view to improving the organisation and equipment of their establishments, it is equally true that it has been a constant source of surprise to officers in the past to find how high a proportion of businesses are run on a "rule of thumb" principle. It is in respect of this class of case that the greatest difficulty is experienced in enforcing the rates laid down. If, for example, inspection in such an establishment discloses piece rates yielding, say, 20 per cent below the minimum, the employer when informed of the deficiency would probably declare:—

- (a) that his rates were as high or higher than those paid by his competitors on the class of work in question, and that the low output of his workers was due entirely to slacking on their part, and
- (b) that to be compelled to increase his rates would result in closing down his business.

In such a case it would be the duty of the officer to explain—

- (a) that piece rates must be valued according to the conditions existing in each establishment, and
- (b) that it is not always necessary to increase rates in order to increase their value, i.e., that workers' earnings depend almost as much on factory organisation and equipment as upon the rates themselves.

It not infrequently happens, however, in cases where the employer appears to lack the initiative or ability to determine for himself the defects in his factory organisation that it is possible for the officer to do this for him. In one case of this kind the officer found the rates in different departments were inadequate by from 9 per cent to 26 per cent. The firm declared its inability to increase its piece rates and blamed the workers for slacking. Investigation into the cause of the low earnings showed that:—

- (a) the factory engine was overloaded and consequently working badly and driving the machinery irregularly and at a low speed;
- (b) apart from (a) the machines, in many instances, were found to be in bad condition, i.e., belts on wrong pulleys and slack, etc.

After the inspection the firm called in competent engineers who remedied the defects complained of, with the result that in a few weeks' time the output of the respective departments had been increased to a point which enabled the workers to earn the minimum without practically any increase in rates taking place. The firm's directors personally thanked the officer for putting the factory on a more economical basis than was previously the case, and paid without protest the large arrears due to the workers as a result of the previous mismanagement.

Another type of case is that of a firm asking for inspection in order to have its organisation tested. In one case of this type suggestions, other than mechanical, were made which materially increased the factory output, with the result that piece-rates which at first appeared grossly inadequate proved adequate to yield the basis rates.

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Some of the effects of Trade Boards legislation on industrial efficiency may be summarised as follows:—

1. *Hours.*

The provision that all time spent by a worker at an employers' premises for purposes of employment shall be paid for, whether the worker is actually working or not, has resulted in a more economical method of working through the elimination of waiting and other forms of non-productive time.

2. *Departmental organisation.*

The above provision has also resulted in improved organisation between department and department, and has generally tended to speedier methods of manufacture, usually on sub-divisional lines. The obligation on employers to keep proper wages and time records and to fix their piece-rates on a definite and known basis has led many firms to make effective use of these figures in another direction, i.e., to use wages analyses as a measure of output variation either among individuals or groups of workers.

3. *Training of learners.*

The fact that many Trade Boards have provided in their determinations for the proper training of juveniles, together with the fixing of wages on a basis of age and experience, has undoubtedly resulted in a more careful and intensified method of training these workers than hitherto existed. When discussing the question of learners with employers it is common to be told, "I have had to put the girls on more important work because they will be entitled to more money next month, and I want them to be worth it." If it had not been for some such provision as the one in question it is possible that many of these workers might have been kept for years on some "blind alley" occupation.

4. *Equipment.*

There has undoubtedly been a big improvement in mechanical efficiency in those trades where Trade Boards have been longest in operation, and it is safe to say that partly as a result of Trade Board legislation speedier and better types of machines are now generally in use as compared with those which obtained some few years ago.

LIST OF TRADE BOARDS AND DATE OF ESTABLISHMENT.

TRADE BOARD	DATE
Aerated Waters (England and Wales)	1920
Aerated Waters (Scotland)	1920
Baking	1938
Boot and Floor Polish	1921
Boot and Shoe Repairing	1919
Brush and Broom	1919
Button Manufacturing	1920
Chain	1910
Coffin Furniture and Cerement Making	1919
Corset	1919
Cotton Waste Reclamation	1920
Cutlery	1933
Dressmaking and Women's Light Clothing (E. & W.)	1920
Dressmaking and Women's Light Clothing (Scot.)	1920
Drift Nets Mending	1925
Flax and Hemp	1920
Fur	1919
Fustian Cutting	1933
General Waste Materials Reclamation	1920
Hair, Bass and Fibre	1920
Hat, Cap and Millinery (E. & W.)	1920
Hat, Cap and Millinery (Scot.)	1920
Hollow-ware	1914
Jute	1919
Keg and Drum	1928
Lace Finishing	1910
Laundry	1919
Linen and Cotton Handkerchief	1920
Made-up Textiles	1920
Milk Distributive (E. & W.)	1920
Milk Distributive (Scot.)	1920
Ostrich and Fancy Feather and Artificial Flower	1921
Paper Bag	1919
Paper Box	1910
Perambulator and Invalid Carriage	1920
Pin, Hook and Eye	1920

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TRADE BOARD	DATE
Ready-made and Wholesale Bespoke Tailoring *	1920
Retail Bespoke Tailoring (E. & W.)*	1924
Retail Bespoke Tailoring (Scot.)*	1924
Rope, Twine and Net	1919
Sack and Bag	1921
Shirtmaking	1914
Stamped or Pressed Metal Wares	1920
Sugar Confectionery and Food Preserving	1914
Tin Box	1914
Tobacco	1919
Toy Manufacturing	1920
Wholesale Mantle and Costume	1919

*The original Tailoring Trade Board established under the 1909 Act was superseded by the Ready-Made and Wholesale Bespoke and the Retail Bespoke Tailoring Boards. In 1924 the Retail Bespoke Tailoring Board was split into separate Boards for England and Wales and Scotland.

The Acts have recently been applied to the Rubber Manufacturing Trade and a Trade Board will shortly be established.

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PART III

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I.

THE BRITISH TRADE UNION AT WORK *

By JOHN HILTON,
*Professor of Industrial Relations, Cambridge
University, England*

WHAT we in Britain have had knocked into us and seem now to be settling down to is that a Trade Union, to make its way and do its job and keep in trim, must go in for a good deal more than putting the screws on employers to get for labour as good a share as can rightly be got of the joint product of the industry. It must never lose sight of that, of course; but it must come on top of a host of other activities or it will not be effective.

The Trade Union that hopes to flourish must be before all else a Friendly Society for its members; helping them in times of ill-health and hard luck and age out of funds to which they have contributed. It must be an advice bureau, to tell them the way out of their occupational troubles and trials. It must be a court of occupational justice as between man and man, keeping the peace among its members by reason of the quality of its justice. It must be an efficiency bureau, so that it can tell the employer how to save the waste or make the gain that will justify a higher wage—thereby taking the lead now and again as a change from acting the drag on production improvement. Such a Union is not a frenzied thing that lives by crises; it lives by service rendered. By virtue of its living utility it is the more alive and strong when crisis comes. On that day, when it

* Reprinted with the consent of the *Atlantic Monthly*.

squares up to the employer, it does so with its feet well placed and its muscles in trim.

But the Union that counts and endures with us is not the one that is forever squaring up to the employer. It has all sorts of other business with him. It has the business of adjusting the thousand and one differences that are occurring month in and month out between the man on the job and his immediate boss. The good workman is often enough a poor hand at arguing and a worse hand at bargaining. Few of us are really tip-top at arguing our own case—we get hot and bothered where we should of all things keep cool. That is why in life generally we so often call in an expert third party as a go-between. The workman specially needs a go-between; for being in the pay of the other man he often feels he dare not, even if he had the gift, say just what is in his mind. Often enough the employer himself suffers by that, for he thinks he has left the workman happy and satisfied when he hasn't.

The only go-between who can say what the workman wants said, and say it without fear, is one who is not in the employer's pay. In other words, the Trade Union official. There have been, and will be, Company Union officials who can find out what the employee wants to say and can say it. There have been and will be Labour Superintendents who can do it. But the fact that they are in the employer's power or pay must always cramp their style on major issues. The spokesman who is not on the firm's pay-roll is the one who can best represent the man on the line to the man in the board room.

The capable Trade Union official is no less a boon to the employer when it comes to passing word along in the other direction. The man in the office has things to say to the man at the bench. Written instructions and printed notices are all very well, word passed down through the foreman is all very well; but if it is a matter in which the employee may suspect a catch, or one that touches his feelings closely, it is better to



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PROFESSOR JOHN HILTON

their money and to which aged and retired members go or send for their superannuation amounts; one must think of thousands of rooms up and down the land where every night a member or two will drop in to unload a grievance or clear up a difficulty or to ask, perhaps, if any employer has telephoned for more help; one must think, too, of regular meetings in such places, with a worker chairman and worker officers and a part-time or full-time paid secretary and a not too good attendance (except when there is trouble in the air)—meetings at which differences between members are heard and adjusted, at which complaints concerning work or wages or conditions or treatment are heard and argued, and at which policy, local and national, is discussed in the light of whatever head office has said or may want to know.

One must think of the paid secretary taking his cue or his orders, or at least his cover, from the meeting (which runs him as he runs it) and in between whiles carrying on with his job of administering, expounding, advising, exhorting, recruiting, visiting, calming, rousing and adjusting—through the long days of the seven-day week. It is these activities which absorb that 40 per cent of the subscriptions which go in “Working expenses.” It is good value for money.

In all this, or nearly all, the Trade Union secretary is a trouble-smoother—not a trouble-maker. Day in day out he is busy securing, from employers, adjustments of a wage-rate here and a time-schedule there. Over the whole field thousands of such adjustments are being made by Trade Union officers every month that goes by. There was material for a quarrel in each—but the adjustment is made without it. Naturally, none of these adjustments get into the papers. Keeping the peace is not news.

I must beware of talking too much of the Secretary or Agent as though he were the Union. He is not. The Union is the corporate body of members. The authority is a corporate au-

thority. Of course it is with the Trade Union as with any other body. Sometimes the Secretariat sways the membership more than the membership rules the Secretariat. But the Trade Union personage who lets himself become a Union Boss instead of a Union Secretary is generally in for a fall. Even the born leader of Trade Unionism does well to disperse as widely as possible among his members the faculty of leadership. Trade Union government must be government "by the people": all other drifts have to be resisted, and every sensible Trade Unionist knows it.

But the Trade Union Secretary's efforts at adjustment do not always succeed. Naturally he tries often enough for more than he can get. Time and again a deadlock is reached. He has seen the foreman, or the manager, or even the responsible director—perhaps more than once. Perhaps the General Secretary has been down from head office. Neither side will give way—or not enough to make a compromise. The man or men are ready to down tools. But now comes into play, if the Trade Union and the Employers' Association have a healthy history, that conciliation or arbitration machinery that has been ready and waiting for precisely this. There will be a clause in the Collective Agreement. The clause will require a difference to be examined in a prescribed manner before there is any downing of tools or locking of doors. The agreement has been drawn up and signed by both organisations—the Trade Union and the Employers' Association. There are thousands of such agreements in being. They are the scriptures of Industrial Relations. They are the book of the Law and the Prophets. They are the price-list and the timetable and the guide to correct manners. They insist on every effort being made to settle a difference on the spot with the least possible fuss. But they also provide should that fail for formal examinations of the issue, first in the district and if that should fail, more centrally.

This machinery for the settlement of differences, for the deferring of strikes and lock-outs is, in Britain as in other lands, a home-made article invented and created out of the conjoint good sense of workers' and employers' organisations. There is no force of law behind them. They are purely voluntary. Nothing went to the making of them but the desire to settle differences without a stoppage if possible. They rest upon nothing more than the inner compulsion that makes any reasonable man want to abide by any agreement to which he has put his hand.

To get the very best for his people out of conciliation and arbitration procedure the Trade Union representative needs a great equipment. He needs understanding and ability and character. He must know his men, he must know the work, he must know the employers' position, he must know just how far he can go and just how much can be got and how to negotiate for it. He must have his men behind him. He must know they trust his judgment. Bluff and bluster and bounce are not of much use because they create neutralising resistances. Low cunning may succeed once but not twice, or if twice not thrice. The man who honestly and sanely wants the best for the industry will get the most for his men.

Once in a way all mediation provisions fail. One or other side will not accept the highest tribunal's recommendation or award. It is the eve of the handing in of notices. The issue may be one that started down on the machine floor and has worked its way up. Or it may be one that started at the top—a matter of broad labour policy emerging from the development of ideas and standards or from economic changes that are affecting industry from without, such as fluctuations in the volume and allocation of buying or in the price level, or from resentment at any resistance to some hated move on the part of the employers. How the Trade Union leader needs all his powers about him! Strike? Or no strike?

The strike, like its rarer complement the lock-out, is a game at which both sides generally lose, and often enough know they will lose. A short sharp strike can score a real win; but in the long-drawn-out strike the fruits of victory rot. No responsible leader on either side wants a strike. Yet mark this. It is only the dread of a stoppage that will bring some negotiators to agree. Now the longer it is since there was a disastrous stoppage the less sharp is the memory of what a stoppage means. So—every now and again someone must strike or lock-out to give others a reminder of the folly of striking or locking-out. The shrewd Trade Union leader knows that; and does not care very much to let his union—especially the kind of mutual aid union I have been describing—go as a victim to the sacrifice, to impoverish its members, deplete its funds, lose grip, and undo the work of years. Yet someone must do it some time for the sake of the others. And of course there is always a chance, just a chance, of winning more than you lose.

If it does come to a strike, then what the Union needs above all else is cohesion and loyalty. Now it needs just that abiding allegiance that can only come as the result of long years of mutual helpfulness. Because it lacks this background the Union that is no more than a fighting force is not likely to win a fight. It is not only that to win you want that background of tried and trusted and practiced comradeship; it is also that the technique and the spirit of fighting—and the language of fighting for that matter—do not fit industrial differences. Industry is essentially a matter of working together—not of striving against. To say “We won’t work with you on such terms” is all right. Any man or group may feel and act so. To say “We’ll injure you until you agree to our working with you on other terms” doesn’t make such good sense. It is one of the minor tragedies of our language that the word “strike” came to be used for stopping work. It suggests and prompts violence. What it meant in its origins was no more than striking

tools—on the analogy of a ship striking colours. It is a vivid word; but there is a lot to be said for dropping it and speaking instead of “stoppage.” We are tending that way.

The Trade Union official whose pacific duties have taken him into frequent contact with his opposite number on the employers’ side sees far better than one who has been kept at arm’s length the importance of letting as little as possible happen during a stoppage that will be likely to make bad blood when the stoppage ends and work is to be resumed. It is a nice problem. Once the men are out he must naturally strive to keep up their spirits so that they present a bold and united front; in that striving there is every temptation to whip up steadfastness with bitterness. He has to remember the day of the going back. You want to go back to a Works, not a cess-pit.

I have spoken of the state of affairs in which the Trade Union officials and the Employers’ officials are in running contact through all the long periods of industrial peace. But what of those cases in which the employers have always stoutly refused to have any dealings with Trade Unionism? Yes, we have such employers. They are not numerous nowadays, but they include a few of our largest modern firms making the mass-produced novelties and specialities of this our age—cars and so on. Their policy is one of “High wages, No Union.” It is not that Union membership is forbidden in the terms of contract; but rather than Union talk or activity is smelt out and frowned upon and that to any communication from a Trade Union the company is deaf and dumb. Often enough there are elaborate welfare provisions. There may even be an apparatus of department spokesmen and periodical joint committees. In a firm employing 5,000 or 20,000 workpeople this may to some extent look like and even serve as genuine Trade Unionism. It has however three radical differences: the spokesman who speaks what is not liked by the firm can be sacked; the workpeople are denied corporate common cause

with those employed in other firms; and there must be no formal linkage with national Trade Unionism. It has its points, this non-union policy, for the few firms that by particular personal genius are well ahead of competitors; but the points are perilous. It is a separatist policy that hampers the development of a national sound and wholesome trade-unionism. From that the body-politic suffers. But there are dangers also for the firms themselves. There may come a day on which the one thing by which they might have been saved from disaster is not available to them. We have of course no law under which an employer can be compelled to recognise the Trade Union. We have powerful employers' associations in all the staple and long-established industries, membership of which implies working in with the Trade Union; but the giant firm in the newer branches of manufacture can stay outside of it if it so wills, and play its lone hand with all the chances of gain and catastrophe that the lone hand entails.

By having no truck with Trade Unionism the lone-hand giant hopes to keep the attitude of its employees to their employer free of doctrinarian poison. It sees the trade unions movement as run by dead-heads but driven by hot-heads. Even the employer who looks on the Trade Union as a part of the national order can be sorely worried by the Trade Union's revolutionary streak. But neither gets so worried about it as does the Trade Union leader.

There are few prominent personalities in our Trade Union movement who are not committed to a belief in "the socialisation of the means of production, distribution and exchange." To that extent they are critical of an order in which the means of production are private profit. Their avowed desire is to see it changed. But they do not let their desire for change warp their dealings, as trade unionists, with the actual elements of the order as it is. They do not let the dream ruin the business. We all have to meet and to resolve, at every turn of our

lives, that self-same conflict between the desire to "shatter it to bits and then remould it" and the need for making the best, while we live in and by it, of the "sorry scheme of things entire."

It is not wholly dissociation between dream and business. Nor is it altogether a man's natural disinclination to play ducks and drakes with the thing of which he is the inspirer and the loyal servant, his Trade Union, by double-crossing its purposes. It is also that he has the sense to know that Trade Unionism is not the instrument for achieving the overthrow of Capitalism and its replacement by Socialism or Communism however much in his heart of hearts he may desire that consummation.

There is a sprinkling of lesser leaders in our Trade Union movement who are committed to "the overthrow of the Capitalist order and its substitution by a Dictatorship of the Proletariat." They are committed, that is, in principle. They too, manage to keep their ultimate objectives in the background while they direct the fortunes of their Union. They must; or their direction will inevitably fail, and their Union fall on evil days. No man can serve two objects—one of co-operation and the other of wreckage.

Indeed, what worries most our Trade Union leaders is not conflict of purpose in themselves but the presence of anti-trade-union elements in their membership. We have our Communist Party. Its few members can make a great deal of trouble, for they are fervent and zealous. Their revolutionary strategy is not easy to follow; but it appears to be to wreck the present trade unions, then with a fiercer trade unionism to wreck the employer, and then out of the wholesale wreckage to build a fairer civilisation. Naturally the Trade Unions dislike this programme and disapprove its promoters. There can generally be heard in our labour circles the sizzle of some trade union pouring cold water on its red-hot tail.

One tends always to make divisions of persons rather than of thoughts. In truth the stolid and the fiery are to be found in some proportion in us all, the ingredients varying from occasion to occasion. They are to be found in the typical trade-unionist. He too has to manage his own duality. A working-man philosopher told me how he does it. Let me explain that in most towns we have a Trades and Labour Council, usually with a hall of its own. Here the members and officers of all the local Unions can foregather to discuss labour policy and the labour goal. My workman friend explained: "We overthrow the Capitalist Order every last Friday at the Trades Council but we carry on with the Trade Union next morning just the same."

The Trade Union that will play its rightful part in the economic order of the future is the one that carries on with its humdrum day-to-day services and binds its members together in mutual fellowship. The Trade Union leader who will stand highest and surest in the movement is the one who is most in touch with his members on the mutual-aid side of his union's multifarious activities. We have in Great Britain no experience of Trade Unionism suddenly thrust upon masses of workpeople. There was a great crowding in or roping in of members during and immediately after the war; but they fell away as soon as the testing time came. For vigorous trade unionism you must have not a mob but a membership. You must have a membership capable of throwing up the kind of leaders that alone can make trade unionism a living and serving part of the entire economic and political order. For there needs not only a collection of separate Trade Unions led and officered by men or women, whose one concern is the occasional welfare of their members. There needs also a National League of all the Unions where inter-union rivalries can be adjusted, where the greed of particular unions can be checked, and where a Trade Union policy that will have regard not

only for the interests of trade unionists but also for the common weal, can be framed and promulgated.

That we have developed, over long years, in our Trades Union Congress with its General Council and its executive organs and officers. There needs a Trade Unionism that can take its part in National life as one of the mighty and enduring estates of the realm, one that can represent the aspirations and the demands of the citizen as wage-earner. That kind of Trade Unionism is not made at mass meetings or fed by fiery "stick-'em-up" speeches. It grows out of the good earth of mutual service and mutual trust.

2.

TRADE UNIONISM AND NEGOTIATING
MACHINERY IN THE GAS INDUSTRY
OF GREAT BRITAIN

By T. WILLIAMSON, J. P.,

*National Industrial Officer, National Union of General and
Municipal Workers of Great Britain*

PREVIOUS to 1919, there was no established machinery for the regulation of wages and conditions in the Gas Industry, and the practice was for individual Unions to negotiate with individual employers, and endeavour to secure the best possible terms by direct negotiation. Strikes and lockouts amongst the workers of well organized Undertakings were frequent, and as there are some 1,200 gas producing Undertakings in Great Britain, it will be readily realised that wages and conditions were governed by a system of "catch-as-catch-can" method. Many of the Undertakings, on the Workers' Side, were unorganised, and in these, therefore, wages and conditions tended to be behind those obtaining in the well organised Undertakings. Under these circumstances there was no mutually recognised standard of wages and conditions in the Industry, and while well organised workers were able to maintain a fairly decent standard, the conditions of the unorganised or badly organised workers remained at a comparatively low level.

It is a tribute to organised workers that in 1889 the London Gas Workers organised in the Gas Workers and General Labourers' Union, ably led by William Thorne, were success-

ful in securing a reduction in their hours from twelve to eight per day without any reduction in wages, but this important reform was not secured by the general body of gas workers until some years later.

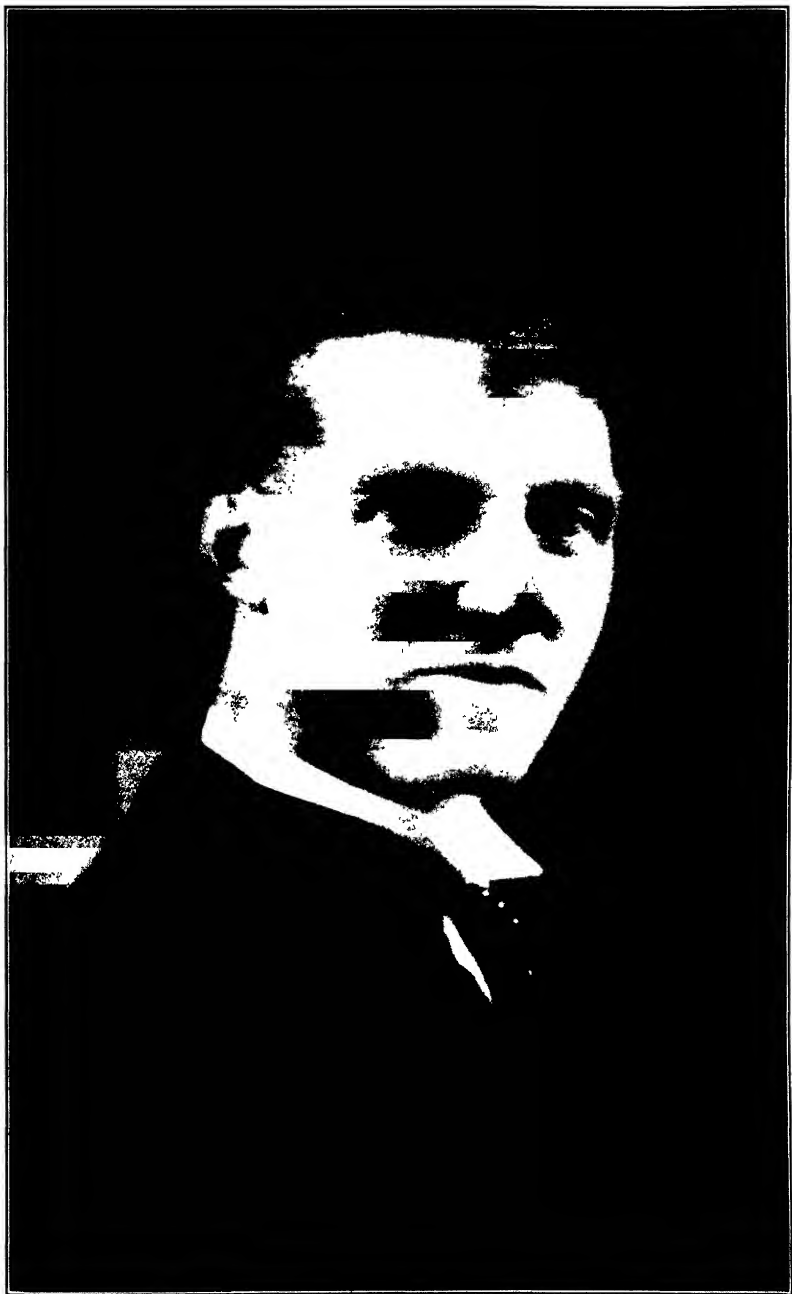
Up to and throughout the period of the Great War these methods of industrial relationships obtained until the inauguration of "Whitley Councils" towards the end of the War, which were adopted by a number of Unions and organised employers in certain industries.

WHITLEY COUNCILS

Towards the close of the War, a Committee presided over by the Rt. Hon. J. H. Whitley, M.P., propounded a scheme of Joint Industrial Councils of equal numbers of representative employers and workers for the supervision and eventual administration of many matters of interest in each Industry. The report published in early 1917, when possibilities of industrial and social "reconstruction" were much discussed, made a great stir, which was increased by the definite endorsement of its recommendations by the Government, and the consequent movement to adopt the proposals in British Industry.

The "Whitley Report" emphasised, among other considerations, the importance of:—

- (a) adequate organisation on the part of both employers and employed,
- (b) the imperative need for a greater opportunity of participating in the discussion about and adjustment of "those parts of industry by which they are most affected" of the workpeople in each occupation,
- (c) the subordination of any decisions to those of the Trade Unions and Employers' Associations,
- (d) the setting up of National, District and Works Councils for:—
 - (i) the better utilisation of the practical knowledge and experience of the workpeople, and for securing to them a greater share in the responsibility for the determination and observance of the conditions under which their work is carried on.



T. WILLIAMSON

- (ii) The settlement of the general principles governing the conditions of employment . . . having regard to the need for securing to the workpeople a share in the increased prosperity of the Industry.
- (iii) The methods to be adopted for negotiations, adjusting wages, determining differences and "ensuring to the workpeople the greatest possible security of earnings and employment."
- (iv) Technical education, industrial research, utilisation of inventions, and improvement of processes.
- (v) Proposed legislation affecting the Industry.

This "Whitley Report" led to the adoption by a number of trades of what was termed "Whitley Councils" and in 1919 the Gas Industry (Employers and Trade Unions) agreed to form the National Joint Industrial Council For The Gas Industry.

In order that the objects and provisions of the Council should be clearly understood, the Constitution is given hereunder in full:—

CONSTITUTION

(A.)—FUNCTIONS.

The functions of the Council shall be to secure the largest possible measure of joint action between employers and workpeople for the safeguarding and development of the Industry, for the general improvement of working conditions, and for the attainment of improved output with a view to promoting the best interests of all employers and workers engaged therein. The Council may take action as to any matters which are within the scope of this general definition and particularly as to the following matters:—

- (a) The consideration of wages, hours and working conditions in the Industry as a whole. In order to enable the Council to deal with these matters as far as they concern workers in the Industry who are members of an organisation not represented upon the Council, the Council may take steps to secure the co-operation or representation of such workers' organisation for these purposes.

- (b) The consideration of measures for securing maximum production and employment.
- (c) The consideration and establishment of means for securing the speedy settlement of difficulties between different parties and sections in the Industry.
- (d) The consideration of measures for encouraging the inclusion of all employers and workpeople in their respective Associations.
- (e) The improvement of the health conditions obtaining in the Industry and the provision of special treatment, where necessary, for workers in the Industry.
- (f) The encouragement of the study of processes and of research, with a view to perfecting the products of the Industry, the most effective utilisation of such products, and the promotion of a high standard of efficiency.
- (g) The provision of facilities for the encouragement, consideration and utilisation of inventions and improvements in machinery and methods and for the adequate safeguarding of the rights of the authors of such inventions and the designers of such improvements.
- (h) The supervision of the entry into, apprenticeship to and training for the Industry and co-operation with educational authorities in arranging and stimulating education in all its branches for the Industry.
- (i) The collection and publication of statistics and information on matters appertaining to the Industry, as and when agreed, and to industries whose existence affects the Industry.
- (j) The study of special problems of the Industry, including the comparative study of the organisation and methods of the Industry, and of industries whose existence affects the Industry, in this and other countries; and where desirable the publication of reports. The arrangement of lectures and the holding of conferences on subjects of general interests to the industry.
- (k) The issue to the press of authoritative statements upon matters affecting the Industry of interest to the general community.
- (l) The periodical publication and circulation among workers in the Industry of a journal containing matters of general interest to the Industry.
- (m) The representation of the needs and opinions of the Industry to Members of Parliament, the Government, Government

Departments, Local and other Authorities, and particularly the setting up of such arrangements as shall ensure that the Council is consulted before the introduction of governmental legislation or administrative measures which affect or may affect the Industry.

- (n) The consideration of such matters as may be referred to the Council by the Government, Government Departments or other Authorities.
2. In pursuance of its functions, the Council:—
- (a) Shall establish Regional Councils, define their functions and consider proposals and resolutions submitted from time to time by such Councils.
- (b) May establish Works Committees; and
- (c) May co-operate with the Joint Industrial Councils or Bodies representing other industries in order to deal with problems of common interest and establish with such Councils or Bodies Joint Standing Committees for that purpose.

(B.)—CONSTITUTION.

1. MEMBERSHIP.—The Council shall consist of 44 members appointed as to one half by the Federation of Gas Employers, and as to the other half by Trade Unions.

Trade Unions	No. of Representatives
The Workers' Union	2
The National Union of General Workers	10
The Amalgamated Society of Gas, Municipal and General Workers	3
The National Amalgamated Union of Engine- men, Firemen, Mechanics, Motormen, and Electrical Workers	2
The Dock, Wharf, Riverside and General Workers' Union	2
The National Amalgamated Union of Labour	2
The National Amalgamated Labourers' Union	1
TOTAL	22

And representatives of such other organisations of employers and Trade Unions as may be added from time to time.

2. RETIREMENT AND RE-APPOINTMENT.

- (a) The representatives first appointed shall serve for two years from the date of the first meeting; thereafter approximately one-third of the representatives of the said Federation and Trade Unions shall retire annually (the order of retirement being determined by lot at an early meeting of the Council) and shall be eligible for re-appointment by their respective Federation and Trade Unions.
- (b) Casual vacancies shall be filled by the Federation or Trade Union concerned, the member elected to fill such vacancy holding office for the unexpired period of his predecessor's term of office.
- (c) When an accredited representative of the Federation or a Trade Union cannot attend a meeting of the Council, a deputy may be sent by his Federation or Trade Union.

3. COMMITTEES.

- (a) The Council may delegate special powers to any Committee it appoints.
- (b) The Council shall appoint an Executive Committee and may appoint such other Standing or Sectional Committees as may be deemed necessary from time to time.
- (c) Except as otherwise provided by this Constitution, membership of a Committee shall be restricted to members of the Council and shall cease upon retirement from the Council.
- (d) The membership of all Committees, including co-opted members, if any, shall be so arranged as to secure equal representation of employers and workpeople.
- (e) The minutes and reports of all Committees shall be submitted to the Council for confirmation, except where the necessity of such confirmation is waived by the Council.
- (f) All Committees shall have such powers and conform to such regulations as may be determined by the Council, but in setting up a Committee the Council shall determine the number required thereon to form a quorum.
- (g) Subject to the provisions contained herein, a Committee may make rules for the conduct of its business.

4. CO-OPTED MEMBERS.—The Council shall have the power to appoint thereon or on any Committee other than the Executive Committee such persons, not being members of the Council, as may

serve the special purposes of the Council, and may allow Committees other than the Executive Committee a similar power of co-optation, provided that persons so co-opted shall attend only in a consultative capacity.

5 OFFICERS.

- (a) **Chairman and Vice-Chairman of Council and Executive Committee.**—The Council shall elect from its members at each annual meeting a Chairman and a Vice-Chairman, of whom one shall be an Employers' and the other a Trade Union representative upon the Council. Such Chairman or Vice-Chairman shall preside at the meetings of the Council and the Executive Committee.
- (b) **Treasurer.**—The Council shall appoint from its members a Treasurer.
- (c) **Staff.**—The Council shall be empowered to maintain a Secretary or Secretaries and such staff as it may think fit.
- (d) **All Honorary Officers of the Council or any Committee** shall be elected for a term of one year or until the annual meeting, but shall be eligible for re-election by the Council or Committee as the case may be.

6. **MEETINGS OF THE COUNCIL.**—The ordinary meetings of the Council shall be held as often as necessary and not less than once a quarter. The meeting in the month of May, or June, shall be the annual meeting. A special meeting of the Council shall be called within 14 days of the receipt of a requisition from 12 members of the Council or from the Executive Committee. The matters to be discussed at such meetings shall be stated upon the notice summoning the meeting.

7. **VOTING.**—The voting both in Council and in Committees shall be by show of hands or otherwise as the Council may determine. No resolution shall be regarded as carried unless it has been approved by a majority of the members present on each side of the Council.

8. **QUORUM.**—The quorum shall be eight members on each side of the Council.

9. **FINANCE.**—The administrative expenses of the Council shall be met in equal proportions by the two sides of the Council. The annual accounts shall be audited by two Honorary Auditors whom the Council shall appoint, at each annual meeting. Such accounts

shall be available for the inspection of any duly authorised officer of the Federation or of any Trade Union represented.

10. AMENDMENT OF CONSTITUTION.—The Council shall have power, at a special meeting called for the purpose, to amend or add to the above Constitution in such way as it may think fit.

THE.....WORKS JOINT COMMITTEE

In the District of

THE.....REGIONAL GAS INDUSTRIAL COUNCIL

MODEL CONSTITUTION

FUNCTIONS

The Committee shall be known as "THE.....WORKS JOINT COMMITTEE."

The Functions of the Committee shall be advisory or consultative and shall cover the following matters, viz.:—

- (1) To consider any matters tending to create and stimulate a wider interest in the efficiency and output of the Undertaking, or to improve and ameliorate the conditions under which the work is carried on.
- (2) To enquire into any matters causing friction or difference which may arise and the best means of settling them.
- (3) To consider any questions arising as to the interpretation of awards, orders and circulars.
- (4) To consider questions relating to the health and safety of the Workpeople.
- (5) To consider facilities for the encouragement and utilisation of inventions and improvements with due regard to the rights and interests of the author or designer thereof.
- (6) To consider and investigate matters and circumstances which tend to reduce efficiency or output or to interfere with the satisfactory working of the Undertaking.
- (7) To consider generally any matters affecting the well-being or improvement of the Undertaking or of the Workpeople whether educational, technical, social or otherwise beneficial.

CONSTITUTION.

I.—MEMBERSHIP, APPOINTMENT AND ELECTION.

- (a) Each Works Committee shall consist of representatives of the Workers selected from each Department, Group of Departments, Works or Undertakings and of representatives of the Management.
- (b) All of such representatives must be employees of the Gas Undertaking.
- (c) The number of representatives for each Committee shall be agreed between the Management and the Workpeople.
- (d) The Workpeople's representatives shall be, as nearly as may be practicable, proportionate to the various departments. The various departments shall nominate candidates who shall be elected by the Workpeople as a whole unless a majority of the Workers decide otherwise. Nomination papers shall be received by the Gas Undertakings and ballot papers issued by them.
- (e) The representatives of the Management on the Committee shall be appointed by the Board of Directors or Gas Committee.
- (f) All Workpeople who have been continuously employed by the Undertaking during the previous twelve months and are over 21 years of age shall be eligible for election.
- (g) All Workpeople who have been continuously employed by the Undertaking during the previous six months and are over 21 years of age shall be qualified to vote.

2.—RETIREMENT, REAPPOINTMENT, RE-ELECTION.

- (a) The period for which members shall hold office shall be twelve months ending on the 30th June in each year and they shall be eligible for re-election.
- (b) Casual vacancies may be filled by appointment from the side upon which such vacancies occur, the person so appointed holding office until the 30th day of June next following.

3.—OFFICERS. The officers shall consist of a Chairman (who shall be a representative of the Management) and either one or, if thought desirable, two Secretaries (one appointed by the Management and the other by the Workpeople's representatives of the Committee).

In the absence of the Chairman, the senior representative of the Management then present shall preside.

4.—PROCEDURE.

(a) Meetings of the Joint Committee.

(i) The Committee shall meet at such regular intervals as each Committee may decide, but special meetings shall be held when necessary on the application of the representatives of either side, which shall state the special object for which the meeting is to be held. The Agenda of business to be transacted at each meeting, together with the notice convening the meeting, shall be submitted by the Secretaries to each member of the Committee at least 48 hours before the meeting, except in the case of Special Meetings, which may be summoned informally by verbal notice to the members.

(ii) Any matter which it is desired to bring forward for discussion at the regular meeting shall be notified to the Secretaries at least four days before the date of the meeting.

(b) Minutes. A book of Minutes of the proceedings of the Committee shall be kept by the Secretary or duplicate books of such Minutes if two Secretaries be appointed (one book to be kept by each Secretary).

(c) Voting. The voting shall be by show of hands. No resolution shall be regarded as carried and no decision shall be deemed to be arrived at unless such resolution or decision has been carried or agreed to by all members present on each side of the Committee.

(d) Quorum. The presence of one-third of the members from each side of the Committee shall be necessary to form a quorum.

(e) Validity of Resolutions. The Works Committee shall conform to any decisions of its Regional Council of the National Joint Industrial Council for the Gas Industry as to the functions and work which may be properly undertaken by the Works Committee.

5.—EXPENSES AND FINANCE.

(a) No deduction shall be made from the employees' earnings for time actually lost in attending any meeting of the Committee.

(b) The Undertaking shall provide the necessary accommodation,

books and stationery to enable the Committee to transact business.

..... REGIONAL COUNCIL
of the
NATIONAL JOINT INDUSTRIAL
COUNCIL FOR THE GAS
INDUSTRY.

(A) FUNCTIONS.

The Council shall be known as the “..... REGIONAL GAS INDUSTRIAL COUNCIL.”

1. The functions of the Regional Council shall be as follows, viz.:—
 - (a) To consider any matters that may be referred to them by the National Joint Industrial Council (the constitution of which is printed as an Appendix hereto), and to take such action within their district as may be called for by the terms of the reference from the National Industrial Council.
 - (b) To make recommendations to the National Industrial Council on any matters within the scope of the functions of such Council.
 - (c) To consider any matters of interest to their district, including matters referred to them by a Works Committee or by a constituent employer or Trade Union with respect to any question arising at a works where no Works Committee exists, and to take action with regard to matters which affect only their particular district subject to the right of the National Industrial Council to veto any such action if, in the opinion of the National Industrial Council, it involves the interests of the other districts.
2. The main functions of the Regional Council shall be as follows, viz.:—
 - (a) The consideration of hours, wages and working conditions, including the codification, the unification where deemed desirable, and the amendment of working rules relating to holidays, juvenile labour, overtime, arrangement of shifts, and similar matters which affect the convenience of employers or workmen in the district or the efficiency of output.
 - (b) Suggestions for the co-ordination of local workshop practice.
 - (c) General district matters relating to welfare work.

- (d) Facilities for the encouragement, consideration and utilisation of inventions and improvements in machinery and methods and for the adequate safeguarding of the rights of the authors of such inventions and the designers of such improvements.
 - (e) The improvement of health conditions obtaining in the industry and the provision of special treatment where necessary for workers in the industry.
 - (f) The supervision of the entry into apprenticeship to and training for the industry, and co-operation with educational authorities in arranging and stimulating education in all its branches for the industry. The Regional Council may, without limitation to its general powers hereunder, appoint representatives on the Councils and Committees or Boards of Educational Institutions in the district, and may by itself or in co-operation with other bodies take steps to give information to the public of the existence of appropriate educational facilities in the district.
 - (g) The arrangement of lectures and the holding of conferences in the district on subjects of general interest to the industry.
3. When no adequate machinery exists for the settlement of differences between different parties and sections of the industry the Council may consider any such differences as cannot be settled within an individual works and refer to the National Industrial Council any such matters upon which the Regional Council fails to come to a decision.
 4. The National Industrial Council shall be afforded the right to exercise the veto referred to herein, by being furnished with a copy of the minutes of all meetings of the Regional Council by the Joint Secretaries, who shall forward the copy minutes within seven days of the meeting to which they refer. The Regional Council shall take action in accordance with the decisions arrived at if the exercise by the National Industrial Council of its veto is not notified to the Regional Council within twenty-eight days from the date on which the minutes were forwarded.
 5. In pursuance of its functions the Regional Council may co-operate with Regional or District Councils or bodies representing other industries in order to deal with problems of common interest and establish with such Regional or District Councils or bodies Joint Standing Committees for that purpose.

(B) CONSTITUTION.

(Note.—In this part “Council” means “Regional Council.”)

1. MEMBERSHIP.

- (a) Each Regional Council shall not exceed twenty-four members appointed as to one-half by the Federation of Gas Employers' District Committee and as to the other half by Trade Unions.

(Trade Unions.—Note. The proportion of representation of the various Trade Unions may vary as between one district and another.)

- (b) Representatives of such other organisations of employers and Trade Unions as may with the consent of the National Industrial Council be added from time to time provided that the Council shall not exceed twenty-four in number.

2. RETIREMENT AND REAPPOINTMENT.

- (a) The representatives first appointed shall serve for two years from the date of the first meeting; thereafter approximately one-third of the representatives of the Federation of Gas Employers and Trade Unions shall retire annually (the order of retirement being determined by lot at an early meeting of the Council) and shall be eligible for reappointment by their respective Federation and Trade Unions.
- (b) Casual vacancies shall be filled by the Federation or Trade Union concerned, the member elected to fill such vacancy holding office for the unexpired period of his predecessor's term of office.
- (c) When an accredited representative of the Federation or a Trade Union cannot attend a meeting of the Council a deputy may be sent by his Federation or Trade Union.

3. COMMITTEES.

- (a) The Council may delegate special powers to any committee it appoints.
- (b) Except as otherwise provided by the constitution, membership of a Committee shall be restricted to members of the Council and shall cease upon retirement from the Council.
- (c) The membership of all Committees shall be so arranged as to secure equal representation of employers and workpeople.
- (d) The minutes and reports of all Committees shall be submitted

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to the Council for confirmation, except where the necessity of such confirmation is waived by the Council.

- (e) All Committees shall have such powers and conform to such regulations as may be determined by the Council, but in setting up a Committee the Council shall determine the number required thereon to form a quorum.
 - (f) Subject to the provisions contained herein a Committee may make rules for the conduct of its business.
 - (g) Members of all Committees shall retire at the Annual Meeting of the Council, but shall be eligible for re-election.
4. **CO-OPTED MEMBERS.** The Council shall have the power to appoint thereon or on any Committee such persons not being members of the Council as may serve the special purposes of the Council, and may allow Committees a similar power of co-option provided that persons so co-opted shall attend only in a consultative capacity.
5. **OFFICERS.**
- (a) Chairman and Vice-Chairman of Council and Committees.—The Council shall elect from its members at each annual meeting a Chairman and a Vice-Chairman, of whom one shall be an employers' and the other a Trade Union representative upon the Council. Such Chairman or Vice-Chairman shall preside at the meetings of the Council and shall be ex officio a member of all Committees. Each Committee shall appoint its own Chairman.
 - (b) Treasurer.—The Council may appoint from its members a Treasurer.
 - (c) Staff.—The Council shall be empowered to maintain a Secretary or Secretaries and such Staff as it may think fit.
 - (d) All Honorary Officers of the Council shall be elected for one year or until the annual meeting, but shall be eligible for re-election by the Council.
6. **MEETINGS OF THE COUNCIL.** The ordinary meetings of the Council shall be held not less than once a quarter. The annual meeting shall be held at least fourteen days prior to the Annual meeting of the National Industrial Council. A special meeting of the Council shall be called within fourteen days of the receipt of a requisition from at least one-third of the members of the Council. The mat-

ters to be discussed at such meetings shall be stated upon the notice summoning the meeting.

7. **VOTING.** The voting both in Council and in Committees shall be by show of hands or otherwise as the Council may determine. No resolution shall be regarded as carried unless it has been approved by a majority of the members present on each side of the Council.
8. **QUORUM.** The quorum shall be at least one-third of the members on each side of the Council.
9. **FINANCE.** The administrative expenses of the Council shall be met in equal proportions by the two sides of the Council.

Annual Accounts, audited by two Honourary Auditors whom the Council shall appoint at each Annual Meeting, shall be submitted to the Annual Meeting. Such accounts shall be available for the inspection of any duly authorised Officer of the Federation or of any Trade Union represented.

10. Any communications addressed to Government Departments by Regional Councils must not be sent direct but through the National Industrial Council.

For the purpose of Regional Councils the Country was divided into eleven Regions:—

Eastern Region.
 London Region.
 Manchester Region.
 Midland Region.
 Northern Region.
 North Wales Region.
 South Western Region.
 Southern Region.
 South Wales Region.
 Scottish Region.
 Yorkshire (West Riding) Region.

and Regional Councils formed to operate within these defined areas.

The Works Joint Committees were slow to form, and have not developed to any great extent.

WORK OF THE NATIONAL JOINT INDUSTRIAL COUNCIL

Soon after its formation the National Joint Industrial Council met, and proceeded to adopt minimum conditions with regard to Overtime Rates and Holiday Conditions, which were expected to be observed throughout the Industry. Where better conditions than those laid down by the National Council were operating it was agreed that those conditions remain.

With regard to the fixing of recognised standard wage rates, this function was relegated to the Regional Councils. Each Regional Council met and proceeded to grade the Undertakings within its jurisdiction, and fix appropriate standard rates of wages for each particular grade. The grading of Undertakings was accomplished having regard to a number of considerations, such as:—

- (a) Size of Undertaking.
- (b) Output.
- (c) Cost of living in the Area.
- (d) Prosperity of Undertaking, and any other consideration which would assist classification.

The number of Grades was usually limited to three or four, although in Districts where the type of Undertakings varied considerably there were even more than four Grades.

In addition to the grading of the Undertakings, standard minimum rates of wages were fixed for each particular grade of workmen.

For instance as an example:— in the Manchester Region, Liverpool and Manchester were placed in Grade 1. Other smaller Undertakings were placed in Grade 2, and even smaller Undertakings were placed in Grade 3. In each Grade were rates of wages for each particular class of work, such as Stoker, Labourer, Gas Fitter, etc.

The Regional Councils also fixed Overtime and Holiday

conditions, taking the National Council recommendations as a minimum, and it was understood that Regional Councils could agree to fix conditions better than the National recommendations.

It should be noted that the grading of Undertakings and the fixing of rates of wages for each Grade was a highly complicated task, which will be appreciated having regard to the varying rates of wages which existed throughout the Industry, and while the decisions were not satisfactory to all concerned, nevertheless, in the main they were fair and generally accepted.

It is important, and should be emphasised, that the rates of wages and conditions fixed by the National and Regional Councils were not enforceable but recommendations only, although it can be safely stated that these recommendations were in the main loyally accepted by both sides, Employers and Trade Unions.

The above is the early history of the Joint Industrial Council machinery, and since that time (1919) up to the present, it has worked reasonably smoothly and has become entrenched as the recognised method of negotiating machinery for the Industry.

During the past nearly twenty years very little adjustment to the initial machinery has been necessary, and making allowances for its limitations, is generally recognised as being preferable to the methods in operation prior to its establishment.

Some explanatory statement is necessary as to the present method of working.

NATIONAL COUNCIL

The National Council is composed of representatives of the Federation of Gas Employers and the Trade Unions, in equal numbers, and meets periodically, about four times a year, or oftener if necessary.

The National Council appoints an Executive Committee, and a Chairman and Vice-Chairman and two Joint Secretaries (one from the Employers' Side of the Council and one from the Workers' Side).

Each side of the Council may submit for consideration applications for wage increases or reductions, and alterations in conditions, such as Overtime and payment for Holidays, and any other Resolution connected with the Industry within the terms of the Constitution. It will be noted from the Constitution that no resolution is regarded as carried unless it has been approved by a majority of the members present on each side of the Council. When a decision is reached the terms of the decision are recommended for acceptance throughout the Industry.

The National Council does not generally decide the particular rates of wages (unless there is a dispute in the Region which is referred to the National Council for settlement) but confines its authority to general wage fluctuations, increases or reductions.

REGIONAL COUNCILS

The Regional Councils, composed of an equal number of Employers' and Workers' Representatives, deals with Rates and Conditions, and the Gradings of Undertakings within its specified area.

It considers disputes which may arise in an individual Undertaking, together with any proposals submitted to it from either side of the Regional Council. In the event of failure to agree, the Regional Council may submit any matter to the National Council for decision.

For the convenience and guidance of Employers and Workers each Region has compiled a Schedule of Rates and Wages and Conditions for circulation.

MEMBERSHIP OF NATIONAL AND REGIONAL COUNCILS

EMPLOYERS' SIDE.

The Employers' Sides are composed of representative Employers in the Industry, usually appointed by the Federation of Gas Employers.

EMPLOYEES' SIDE.

The Workers' representatives are appointed by the respective Trade Unions having an interest in the Industry—representation on the Councils being in proportion to membership strength.

WORKS

The Joint Industrial Council does not preclude negotiations between an Employer and Trade Union on minor matters affecting a particular works; these minor negotiations proceed in the ordinary way, but in the event of there being a difference affecting the works, and no local settlement being possible, it is referred to the Regional Council for settlement.

The Joint Industrial Councils for the Gas Industry have worked smoothly, and have been responsible for the settlement of disputes by conciliation obviating the incidence of Strikes and Lockouts. The relationship between the Employers and the Trade Unions is of a most amicable character, and it may be safely stated that while the present machinery may have its defects it has served to bring order into the Industry.

At any rate the Joint Industrial Council has engendered closer contacts between Employers and Workers and removed to a large extent feelings of antagonism which was characteristic of industrial relations in the earlier years.

LABOUR PROBLEMS IN THE BRITISH FLOUR MILLING INDUSTRY

An Experiment in the Ordering of Industrial Relations

By L. H. GREEN, M.A.,

*Secretary of the Flour Milling Employers' Federation,
Secretary of the National Joint Industrial Council
for the Flour Milling Industry*

THE flour milling industry, so far as its relations with labour were concerned, was almost wholly unorganised at the end of the War period. There was an association of employers, which had been in existence for about thirty years and occupied itself with commercial and business matters, and on the workpeople's side there had been small craft unions for a good many years, but these never had much influence or membership. In general, each miller dealt directly with his own men, who were for the most part unorganised, and although the personal relations between master and men were good the wages paid were low and the hours worked were long.

The change from this state of patriarchal affairs was accelerated by the incidence of Government control, which interfered with the economic structure of the industry. During the War period production had to be concentrated in places to which wheat could be most easily and safely brought, having regard to enemy activity on the high seas. The industry was not localized in any particular area, but there were, and there still are, mills in the big ports, in inland towns and small villages all over Great Britain.

Wartime control tended to a greater concentration of production at the ports, and as a consequence, when Government control was suddenly removed, some millers found themselves with an enlarged capacity for manufacture and others with their capacity restricted, with the natural result that those with an enlarged capacity were determined to preserve their increased trade and those whose activities had been restricted were determined to regain what they had lost.

Coincident with this economic disequilibrium was the development of a labour problem. From time to time the Government had ordered increases in wages, and it became obvious that when Government control was removed some central authority in the trade itself would be required to bring order into what had become a chaotic state of affairs. The wages paid varied from mill to mill even in the same town and there was a similar discrepancy in the number of hours worked, which sometimes amounted to 80 or even more per week. The position of the industry was therefore ripe for the introduction of the principles of the Whitley Report.

The Cabinet Committee on Reconstruction, established in 1916, formed a subcommittee on Relations between Employers and Employed. This subcommittee became known as the Whitley Committee, because the Rt. Hon. J. H. Whitley, M.P., afterwards Speaker of the House of Commons, was its Chairman. In addition to the Chairman the Committee contained twelve members, who included in their number employers, trade union officials, economists and social workers. The Secretaries of the Committee were Sir Horace Wilson and Mr. Arthur Greenwood, M.P.

The terms of reference to the Committee were:—

- (1) To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.
- (2) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be

systematically reviewed by those concerned, with a view to improving conditions in the future.

In the course of its Report, which was published in 1917, the Committee said, "The circumstances of the present time are admitted on all sides to offer a great opportunity for securing the permanent improvement of relations between employers and employed, while failure to utilize the opportunity may involve the nation in grave industrial difficulties at the end of the war." The Committee considered that the co-operation of all classes established during the War should be continued, particularly in the Industrial sphere, and that it was of the utmost importance to enlist the "active and continuous cooperation" of the workpeople in order that their conditions should be improved and a higher standard of comfort attained.

In order to achieve this, the Committee proposed that various associations of employers and employed should consider the possibility of forming Joint Standing Industrial Councils which should be representative of various industries. In addition to a National Joint Industrial Council, the establishment was also recommended of Joint District Councils and Joint Works Committees.

The leaders of the flour milling industry recognised that with the improved status of their workmen after the War, pre-War rates of pay and hours and conditions of work were no longer tolerable. As there was no national organisation to deal with labour conditions on either side, it was decided to form a federation of employers on the one hand, and on the other to encourage the workpeople to join their Trade Unions.

Accordingly in the autumn of 1918 the Flour Milling Employers' Federation was established; and six months later both sides were sufficiently organised to warrant the setting up of a National Joint Industrial Council for the Flour Milling

Industry, an event which took place at the Ministry of Labour in March, 1919. With the Flour Milling Employers' Federation were associated the English and Scottish Cooperative Wholesale Societies. On the other side of the table were the representatives of thirteen Trade Unions. Today the Federation and the two Cooperative Wholesale Societies still form the employers' side of the joint body, but the number of Trade Unions has, by a process of amalgamation, been reduced to three, namely the Transport and General Workers' Union, the National Union of General and Municipal Workers, and the National Union of Distributive and Allied Workers.

The employers encouraged their men to join their Unions because they realised that stable working conditions are impossible in industry unless each side is able to make agreements which its constituents will keep. An employer may employ 10 men or 10,000 men, but in each case he has to come to terms with them. If he is fixing a rate of wages, that rate does not depend merely on what he says he can afford. He has to take into account not only the prosperity of his own particular business but general conditions in his own industry as well as the cost of living to his workpeople and the rates that his competitors are paying. In other words he has to make an agreement and each of the two parties has to sign that agreement and see that it is carried out. This cannot be done by irresponsible individuals, but only by official representatives who are properly elected by their constituents and are in a position to ensure that their side of the agreement is carried out.

The first task of the Flour Milling Joint Industrial Council was to set up a national working week; and after keen and prolonged discussion it was agreed that the working week for shift men should be 44 hours and for day workers 47 hours.*

It should perhaps be explained that flour milling is a continuous process. Flour mills work night and day, the machin-

* In 1937 the working week was reduced to 42 and 44 hours respectively.

ery only stopping at weekends. Whilst previously men had been working two shifts of twelve hours each, under the new dispensation a third shift was introduced and the hours of each shift diminished from twelve to eight. That involved at the time a considerable addition to the population of the industry because, speaking broadly, three men came to be employed in process work where two men had been employed before.

Having settled the hours of a national working week, the next question which presented itself was the question of wages. How much were the men now to be paid for working a reduced number of hours? It is greatly to the credit of the employers that they accepted the contention of the Trade Unions that a man's earnings should not be less under the new system than they had been previously, and that he must take home to his wife every week a sum of money not less than she had been accustomed to receive when he was working an unconscionable number of hours.

Once this principle was accepted, the next stage was to work out the appropriate rate for each town and village where a mill was situated. As I said earlier, flour milling is not concentrated in any particular locality, as is, for example, cotton spinning or wool textile manufacture. Flour milling is nationwide in its location. The question was, therefore, how to fix an equitable rate of wages which should apply both to the great mechanized mills of the big ports and to the small country mills where wages were largely governed by agricultural conditions.

It was agreed to establish a system of classification, and three classes were set up, the first comprising the ports and big milling centres, the second comprising the large inland towns, and the third including rural areas. Subsequently two additional classes were added, and the system of classification so set up is still operative, after twenty years, and has on the whole given satisfaction.

The chief feature taken into consideration was the cost of living to the workman and the main factor in determining the cost of living was the amount of rent that he paid. Rents varied from the 2/6 or 3/- paid in a country village to the 18/- to £1 a week paid in London. The cost of food did not vary a great deal; in fact, it was found that it was frequently cheaper to purchase food in towns than in the country, even when the cost of transport had to be taken into account. Similarly with clothing.

An important factor was not so much the cost of living as the cost of leisure. In the country a man's leisure tends to be remunerative, as he has greater facilities for a garden or an allotment, while in towns his leisure tends to cost him money.

All relevant arguments were permitted, but only those concerned with the cost of living. Thus, for instance, the economic or commercial situation of the mill was not admitted because the Joint Council took the view that whether the mill was well or badly placed, the workman's living expenses were not affected. Again the employers' representatives loyally accepted this point, although in Liverpool, for instance, they could point to mills situated on the waterside, with full docks and railway facilities, while there were other mills to which the grain had to be transported by lorry, thus adding to overhead costs.

In the first instance an effort was made to settle the classification through the Local Joint Councils, and in a large number of instances this was done. But where either an employer or workpeople disagreed with the decision of the local body, a right of appeal lay to the National Joint body, and a further opportunity of appeal from that national body was provided by the establishment of an appeal court, consisting of an eminent barrister as Chairman, with two assessors from each of the two sides of the Joint Council. Thus the fullest oppor-

tunity was afforded to each side to state its case, and it is probably due to that democratic procedure that the classification structure then set up has lasted till the present time.

The local Joint Councils were also utilized to settle the rate of wages for the intermediate grades of labour. The national body settled the rate applicable to the rollerman, being the highest skilled man in the mill, and the rate applicable to the unskilled general labourer. To the local Councils was delegated the job of settling the rate for the intermediate grades of labour. As a result of the settlement of a national scale of hours and wages, there ceased to be competition amongst employers as regards their labour costs and each employer, by looking at the list of classified towns and villages, could and can easily calculate his competitors' labour costs. This became a factor of considerable importance in the development of the industry when commercial competition became so acute that the absence of competition in labour conditions was appreciated.

TECHNICAL EDUCATION

Having settled the two major problems of hours and wages the Joint Industrial Council, which has never taken a narrow or restricted view of its duties, proceeded to take in hand the technical education of the operative. There had for many years been a system of technical education worked in conjunction with the City and Guilds of London Institute, but the number of operatives who took an active interest was small and the standard had become low. The Joint Industrial Council considered that if employers and Trade Unionists combined in recommending education to the men, the men were more likely to respond than if the appeal came from the employers alone.

Accordingly, a Technical Education Committee of the Joint Industrial Council was formed, and to it were added representatives of the Board of Education, of the City and Guilds

of London Institute, of the Research Association of British Millers, of the Principals of technical institutions and of the Teachers.

One of the first tasks of that Committee was to revolutionize the syllabus, increasing what had been a 2-years' course in flour milling technology to a 4-years' course in flour milling technology and science, thus enabling students to qualify for the full technological Certificate awarded by the City and Guilds of London Institute.

A number of interesting developments have taken place as a result of the work of the Committee. There are now classes in 22 centres, comprising 750 students; and in order to deal with the problem of students in isolated mills, who cannot get to educational centres to attend classes, a correspondence course has been established and is working successfully with 180 students in its membership. Technical pamphlets on various milling problems are produced at frequent intervals and are published at the price of 6d. each, which brings them within the scope of every student. From time to time during the course of the session, a specialist lecture is given by some authority well known in the industry. Advantage is taken of these occasions to invite employers, managers, technicians, engineers and the older operatives, and these representative gatherings are well attended and greatly appreciated. The annual prize distribution is also made the occasion for a similar gathering, at which a concert, followed by refreshments, replaces the specialist lecture.

The Committee attaches great importance to the opportunities of enabling all the sections of the industry to meet on common ground. They feel especially that the opportunity of bringing the older operatives and the young together should not be neglected, because the older man is apt to feel that the younger generation are getting educational advantages and

facilities which were not available to him in his younger days and to be a little jealous as a consequence.

As the fruits of this educational scheme became apparent and as the supply of technically qualified operatives began to increase, it became obvious that some quicker method of promotion had to be provided. There is very little labour turnover in a flour mill. Men as a rule work in the same mill all their lives and they are very reluctant to retire. As a consequence promotion is slow and the opportunities of advancement for the ambitious young man are rather restricted.

It was at this point that the Employers' Federation became attracted by the idea of a pension scheme. If promotion was to be accelerated for the technically equipped younger man then the exit of the older man must equally be accelerated. The old age pension of ten shillings a week, to which every workman is entitled on reaching the age of 65, is paid irrespective of whether he remains at work or retires. This sum is not sufficient to enable a man to retire and the tendency therefore is for him to remain at work, the pension forming a pleasant addition to his wages.

The desirability, and indeed the necessity, for establishing a pension scheme was reinforced by what had been happening as a result of the rationalization of the industry on its commercial side. With that rationalization the Flour Milling Employers' Federation had nothing to do, but insofar as the effects of rationalization on the operatives bore upon the work of the Federation and the Joint Industrial Council, a few words about the rationalization scheme will not be out of place.

The flour milling industry is a stable industry and is not subjected to booms or slumps. The consumption of flour does not vary much, estimated year by year, though it naturally varies from month to month. There is no considerable export trade and the only way of increasing consumption is either to change the dietetic habits of the people or to increase the

population. It is a trade which lends itself more easily than many others to being planned, but the individualistic outlook of its members was always very strong. The incidence of wartime control, as I have already indicated, upset the trade's economic equilibrium and it needed a painful and prolonged process of cutthroat competition and even of crude elimination before the members of the industry decided that in the interests of common sense and even of survival, they should get together and form a mutual scheme.

Such a scheme agreed to by almost every miller in the country came into operation in 1928 and within three years of its inception the surplus productive capacity of the industry had been reduced to manageable proportions. The association was financed by the industry itself and provided generous compensation for those firms who wished to go out of business and so to make trade less unprofitable for the rest. No pressure was exercised, but firms knew that if they wished to retire they would be able to do so comfortably.

There continues to be keen and unrestricted competition in quality. What has been surrendered is the liberty to manufacture recklessly without regard to the consumptive capacity of the country. What has been gained is the liberty to continue to trade free from Government control and, other things being equal, to trade profitably.

The Trade Unions represented on the Joint Industrial Council made strong representations in regard to the position of the workpeople who, as a result of the rationalizing policy of the employers and through no fault of their own, happened to lose their jobs.

Following upon these representations, arrangements were made by which when a mill was shut down as a result of rationalization a sum of money was provided to compensate the operatives. The administration of these monies was delegated to the Joint Industrial Council and the method adopted

by the Council forms an interesting chapter in the history of industrial relations.

The first step was for the Secretary of the Council to proceed to the place concerned and to call a meeting of the men, to which they were invited to bring their wives and sweet-hearts. An explanation was given of the economic reasons which had led to the shutting down of the plant and an announcement was made of the funds available for compensation, emphasis being laid on the point that nothing would be spent on relief, but that the available funds would be used to resettle the men in other jobs. This, of course, was no easy matter in a thickly populated country like Britain, with a high unemployment figure.

A committee was formed, consisting of the manager of the mill concerned, the local Trade Union official and two or three of the men concerned, elected by their mates, together with the Secretary of the Joint Industrial Council, who held the purse strings. Annuities were bought for all the men of 60 or over. The men of 35 and under presented little difficulty, because they were able to be resettled either at their own jobs in other parts of the country or transferred to other industries; and all the money that was required in their case was the cost of railway fare or of a bag of tools, and in the case of married men a separation allowance to their wives as long as they had to keep two homes going, and assistance in the cost of removing the family to the new home when a home had been obtained.

The men who were most difficult to resettle were those between 35 and 60. The older a workman gets the more skilled he gets at his own particular job, but the less adaptable he becomes and the less capable of turning to a new job. It is particularly in connexion with this middle class of men that the local committees were most useful. There was no need of any formal inquisition into a man's tastes or circumstances, because these were known to his mates; and it was often pos-

sible to turn his hobby to account by giving him the financial means for turning a hobby into a business.

For instance, in one place there were men of between 50 and 60 whose hobbies were gardening or allotment work. They went around calling on various people with good gardens, and each got a sufficient number of offers of a day's work here and a half a day's work there to occupy him for each working week. The task of the committee was then simple. It was to provide him with the necessary tools in order to set him up in business as a jobbing gardener. These men were, at a cost not exceeding £30, taken off the dole and enabled to earn their living in the normal way.

That is a simple illustration, but we were not able to indulge in any grandiose schemes and we were able to study the individual tastes and capacity of each man whose resettlement was our job. In the three years, 1928-1930, in which the scheme was worked we resettled 404 men at a cost of £20,000.

To return to the subject of pensions. It was obvious that had there been a pension scheme in the industry at the time when rationalization was embarked upon, the hardship to the workpeople would have been considerably ameliorated. The Trade Unions warmly supported the employers' proposals in regard to the pension scheme, especially when it was made clear that such a scheme must be a joint scheme controlled by the Joint Industrial Council, which meant that the Trade Union representatives were responsible equally with the employers' representatives.

A body of five Trustees was appointed, consisting of two representatives from each side of the Council, together with an independent insurance expert who could advise on insurance and actuarial matters. An insurance company was appointed to administer the scheme, but in all points arising in connexion with its operation the Trustees are the controlling body, and the insurance company renders an account to them of the finan-

cial aspect of the scheme every three years, after the initial period of five years.

The first requisite of the scheme was that it must be simple to understand. It had to be explained not only to the directors in the board room but to each man in the mill or on the lorry; and therefore the unit of 1/- a week premium and of £1 a year pension was agreed as the basis of the whole structure.

One of the principal difficulties at the outset was how to deal with the problem of past service. The easiest and the most usual way of dealing with this problem is for the employer to put up a capital sum to cover past service pensions, but this was not practicable in our case. Contributions have to provide not only for current service pensions, but for a measure of past service as well. Each employer pays 1/- a week in respect of each employee, and each employee pays 1/-. Out of this joint premium of 2/- a week, 5½d. is allocated to provide past service pensions, and it was estimated that within a period of twenty years from the inception of the scheme this past service liability would be liquidated.

I was immensely impressed as I went about the country explaining the scheme by the readiness of the younger man to accept this liability. They realized that something had to be done for the older men and that by enabling the older men to retire comfortably their own chance of promotion was accelerated. They also realized that time is on their side and that when this past service liability is liquidated, the part of the premium formerly allocated for that purpose would be available for increasing their own pension.

Another attractive feature of the scheme is that it is not a boss's dodge to attach workmen to a particular service. The scheme being open to the whole industry, workpeople can move freely about from job to job amongst the firms who are members of the scheme, without any loss of pension rights or premium payments. If a man leaves the industry, he can draw

out in cash the amount that he has paid in premiums, though the employer's premium payments remain in the scheme. Similarly, if he dies before reaching pensionable age, his widow or other representative draws the amount in cash.

Another point to which we attach importance is that there is no penal clause, that is to say, a man who leaves the industry for any reason whatever, even of misconduct, is still entitled to cash payment of his premiums. The scheme is a business scheme and an insurance scheme, and the reason why a man chooses to leave his employment is regarded as his own personal affair and should not influence the scheme to which he and his employer have contributed on a fifty-fifty basis.

There are a great many other details in connexion with the scheme which it would be wearisome to enumerate here, but I think the above are salient features. I would add one final word about the Trustees, and that is that I am inclined to think that the provision of Trustees is one of the most important features in a scheme of this kind. Seeing that the Trustees are appointed by the Whitley Council, every member of the scheme, whether employer or workman, has direct access to them and can make representations to them in regard to any grievance he may have. Rules, of course, must be obeyed, and a scheme that is actuarially sound has to observe its constitution and rules most carefully, but there are many cases of hardship and cases where special consideration has to be given; and it is in dealing with cases of this sort and in maintaining contact with members of the scheme that the Trustees can exercise considerable humanizing influence.

Moreover, the administration of the scheme by Trustees, chosen by the people concerned, assures the men that they are getting a square deal from the insurance company. Work-people have been suspicious of insurance companies because of the bitter experiences they have had with representatives going from door to door touting for business who do not fully ex-

plain the terms of the policy they ask the working man, or more often, his wife, to take up. The premiums are perhaps interrupted, owing to a spell of short time or of unemployment, and the workman finds that all the money he has put into the scheme has been lost. These lapsed policies made a black patch in the history of insurance from the workman's point of view, and it is most important that the workman should have full confidence in those who administer the scheme.

RATIONALISING THE FACTORY ACTS

The Factory Acts, and the many Orders issued by way of supplement, impose strict obligations on every employer to take every possible precaution to render his premises foolproof, and the flour milling industry is so highly mechanized that the safeguarding of machinery with a view to the prevention of accidents is one of the mill manager's chief concerns. The fact that the milling is a continuous process and that the machinery runs night and day throughout the working week, with a stop only at weekends, makes it difficult to apply certain regulations which are designed for the more normal type of running.

Accordingly, ten years ago, a Factories Committee of the Joint Industrial Council was set up, consisting of two representatives from each side of the Council, together with one of H. M. Superintending Inspectors of Factories, to aid the Committee with his technical knowledge of the requirements of the law. One of the most useful things this Committee did was to go through all the regulations which are generally applicable to industry and to relate these to the requirements of the millers. A handbook was published and every miller and every inspector was supplied with a copy. Then every miller knew what he ought to do and every inspector knew what to look for in the particular trade. In some respects the recom-

mendations made by the Factories Committee have gone beyond the actual requirements of the law, and the merit of these recommendations has been seen recently when the Factories Act of 1937 was published. The effect of that Act is to tighten up the safety requirements in every factory as required by law and those millers who have had the prescience to follow the recommendations of their Joint Committee have somewhat less leeway to make up in making their premises conform to the new standards.

The salient features of the new Act have also been extracted in a recent Report of the Factories Committee and the attention of millers drawn to the new requirements.

Another Joint Committee, similarly constituted, is one which concerns itself in the matter of health and keeps a particular watch on dermatitis. An industry concerned with the manufacture of food can never be too careful in seeing that all the conditions in which the product is made, including the cleanliness of the workpeople, who handle it, are above suspicion. There are very few cases of dermatitis among flour mill workers, and as a matter of fact the incidence of this disease amongst flour mill workers is considerably less than its incidence in the general population of the country. Whilst the Committee regards this fact as satisfactory, it does not regard its work completed as long as a single case of dermatitis appears.

SECURITY

An agreement was made by the Joint Industrial Council last year which, so far as I know, is unique in industry in this country. The employers argued that as they themselves had achieved some measure of security by their scheme of rationalisation, it was right and fitting that their workpeople should also share the same advantages. One of the greatest bugbears in the minds of working people is the sense of insecurity which

comes from haphazard employment and from variations in weekly earnings. Flour mill workers have been free, on the whole, from the hazards of employment, and apart from the shutting down of plants referred to earlier, a man's employment in the flour milling industry has been fairly secure; but there have been periods of short-time working.

Last year the Council agreed that whether a mill was working full time or short time the workman should receive his full weekly wage. The effect of this on the economy of the home is obvious, for now the wife of the workman knows, equally with the wife of the salaried employee, what his income is each week, and she can budget accordingly.

There was a time, incredible as it seems now, when employers thought it good policy to keep the workpeople in constant fear of losing their jobs. It is obvious that a man whose mind is disturbed or distracted by anxiety for the future cannot be thoroughly efficient. I personally have been a subscriber since January 1928 to the fortnightly "letter" issued by the National Industrial Conference Board of New York, and a recent "letter" puts the matter succinctly. It says:—

"Constant worry and smooth steady dependable performance are not compatible. Satisfaction in employment and consequent spontaneous loyalty are far more efficient incentives."

When the agreement was made, it was intended that the payment made by the employers would be the difference between what the workman would draw under the Unemployment Insurance Act as a result of the temporary stoppage and his normal weekly wage. As a result, however, of a legal decision it has been held that because of the security agreement the workman is disentitled to draw any benefit for a period of temporary stoppage, although the benefit in question is one to which both he and his employer have contributed

by means of the weekly premiums payable under the National Insurance Act.

As a consequence employers are paying and have paid the full weekly wages even in times of temporary stoppage, and the industry felt so strongly that it was inequitable that under a national and compulsory scheme premiums should have to be paid without any benefits being drawn that they raised the matter through a group of Members of Parliament in a debate in the House of Commons; as a result of which the matter was remitted by the Minister of Labour to the Unemployment Insurance Statutory Committee. Evidence on the subject was given by representatives of the Joint Industrial Council and the Committee has recently issued its Report.

In that Report, amongst other things, the Committee recommends that the law should be altered in order to do away with that anomaly of which flour millers complain, and it is hoped that the Minister will accept this recommendation of his expert Committee and at an early date take such steps as may be necessary.

FREEDOM FROM DISPUTES

It may seem strange that in this short account of the orderly arrangement of industrial relations in one of the most vital, though not the largest, of this country's industries, I have not so far mentioned anything about disputes. It would be an exaggeration to say that there have been no disputes, but in the period since the war there has been no dispute involving the whole industry or any large section of it. From time to time there have been disputes at individual mills, some of which have led to a temporary stoppage. Only once has there been a district involved, and in that dispute the Trade Unions combined with the employers, because the strike was against a decision of the Joint Industrial Council and both sides were

equally concerned to maintain the prestige and effectiveness of that body.

The secret of this freedom from strife and bitterness and of the orderly arrangement of everyday affairs is to be found partly in the goodwill which has always existed in the industry between the employer and his workpeople and which has not been destroyed by the increasing mechanisation of the plants. It is to be found also in the spirit of craftsmanship, which has survived that mechanisation, and in the fact that the owners of the mills and the employers themselves are millers, not financial magnates or people from outside the industry, whose only object is to secure the biggest return for the smallest outlay.

Even more important than these, perhaps, is the habit which has during this period been encouraged of regular meetings between the representatives of employers and workpeople. They do not wait until there is a dispute to be settled. They meet often and regularly and engage in the more humane activities that I have tried to outline; but none of this would be really effective if the foundations had not been laid on the broad basis of good wages and decent conditions.

EMPLOYERS' ORGANISATIONS IN GREAT BRITAIN *

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THE development of employers' organisations in Great Britain is closely related to that of trade unions. There are, however, differences due mainly to the fact that employers have combined together for two distinct purposes: first, to protect themselves against what they consider to be impracticable or undesirable demands by the workers; and second, to prevent unfair competition amongst themselves by regulating the selling price of their products and to undertake jointly various commercial, legal and other services of mutual interest. In this chapter only those activities which deal with labour matters are considered, and no account is given of the second of the above categories.

In industry after industry the formation of employers' organisations followed the establishment of the trade unions. Whenever in any district a trade union seemed likely to succeed in imposing its demands for better wages and improved conditions of labour upon individual firms the employers were stimulated to combine for the protection of their own interests. Later on when the trade unions in a given industry in various districts combined together into national federations or amal-

* This section is based upon the chapter on "Employers' Organisations" in the author's book on *Industrial Relations in Great Britain* published by the International Labour Office, Geneva, 1938.

gations a movement for the formation of national employers' organisations soon followed, so as to prevent the trade unions from playing off one locality against another.

DEVELOPMENT

From the early years of the Nineteenth Century onwards there has been a steady development of employers' organisations. Until towards the closing decades of that Century there was frequent refusal to recognise and enter into agreements with the trade unions and for many years around the middle of the Century in various industries workers were required as a condition of employment to undertake that they would not join a trade union. After about 1850, employers' organisations, like those of the workers, increased in number and tended to become more permanent. For example, the Mining Association of Great Britain, and a central organisation of employers in the engineering industry were formed shortly after the middle of the Century.

From about 1870, when public opinion became more favourable to the trade union movement, the number of collective agreements between employers' organisations and trade unions considerably increased, and systematic methods of negotiation, including joint committees for conciliation, were established. When trade unionism was extended to unskilled labour after about 1890, the formation of strong employers' organisations began in such industries as clothing, shipping and other industries employing large numbers of unskilled or low paid work-people. Progress in organisation and consolidation was accelerated, especially after 1906, both as a result of the growing power of trade unionism and because of increase in the volume of social legislation before Parliament.

There was a further rapid expansion of organisation among employers during the war and in the years 1919 and 1920.



PROFESSOR J. HENRY RICHARDSON

War-time control of production by the Government and frequent joint relations between the Government, the employers and the workers for the regulation of working conditions during the war gave a stimulus to organisation. These conditions also resulted in the recognition of trade unions by employers' organisations throughout industry, and the establishment in most industries of agreed machinery for joint negotiation. The Government's Trade Board legislation providing for the fixing of minimum wages in industries in which the workers were ineffectively organised led to the setting up of employers' organisations in various branches of industry in which organisation had hitherto been weak, a principal object of these organisations being to secure adequate representation of employers in the various Trade Boards.

The tendency to organise was strengthened by the recommendations of the Whitley Committee in 1917, and by the work of the National Industrial Conference in 1919. The year 1919 is of special significance because it was then that the National Confederation of Employers' Organisations was set up for the main purposes of representing to the Government the general views of organised employers upon labour matters, of taking appropriate action with the object of ensuring that labour and social legislation should not harmfully affect the interests of employers and of arranging for the proper representation of British employers in the work of the International Labour Organisation. The National Confederation of Employers' Organisations is also an important means by which organised British employers are associated with employers abroad. The Confederation was formed immediately after the National Industrial Conference of 1919 when the need for an employers' central authority on labour questions became specially evident.*

*The Federation of British Industries had been formed three years earlier, but it deals mainly with commercial and economic questions, leaving labour matters to the Confederation.

Since 1920 there has been further progress in consolidating the associations in the various industries. This process has been facilitated in some industries by the growth of great businesses as part of the rationalisation of British industry since the War.

Detailed statistics showing the number and membership of employers' organisations are not available, but according to information published by the Ministry of Labour there are more than 250 national or general federations and associations for whole industries, and more than 1,500 other employers' organisations directly concerned with labour matters. These rather large figures do not indicate satisfactorily the process of consolidation. The method of federation has been used more than that of amalgamation, and the constituent members of federations are regarded as separate organisations. Among the many employers' organisations less than 50 are of predominant importance and represent the main body of British employers. The National Confederation of Employers' Organisations acts as a co-ordinating body and in recent years has had an affiliated membership of organisations covering firms which normally employ 7,000,000 workpeople. The proportion of big undertakings which are members of their appropriate industrial organisation for dealing with labour matters is very high.

STRUCTURE AND ORGANISATION

Employers' organisations differ considerably from trade unions in their structure, and this complicates negotiations and the establishment and operation of joint machinery. The problem of having to choose between the craft and the industry as a basis of association does not arise and employers' organisations are generally of the industrial type. However, there are considerable differences between the various organisations, owing to differences in the nature of the industries. Thus the Mining Association of Great Britain is more homogeneous than the

complex structure of the Engineering and Allied Employers' National Federation, which brings widely differing branches of the industry together into the framework of a single organisation. By contrast, in some complex industries the various branches are organised independently. For example, the textile industry is divided first according to the material used—cotton being organised separately from wool. Then within these main divisions the branches are organised separately according to the process. Thus in the cotton textile industry there is the Federation of Master Cotton Spinners; while on the weaving side, but including some spinning, there is the Cotton Spinners' and Manufacturers' Association. In some industries which have separate organisations in the various branches, arrangements are made for co-ordination of labour policy by setting up a special body for this purpose. Thus in the woollen and worsted industry the chief separate organisations are the Woollen and Worsted Trades Federation and the Worsted Spinners' Federation, but there is also the Woollen (and Allied) Textile Employers' Council set up for purposes of co-ordination. In the building industry the National and Allied Building Trades Employers effects co-ordination and acts for purposes of common policy in joint negotiations for federations in several sections of the trade.

Usually an employers' organisation consists of district or regional associations, sometimes with local branches, combined into national federations. In most of the highly organised industries the national federation affiliates only associations and not individual firms. The individual firms join the local associations. Usually member firms may not negotiate directly with the trade union, but must refer differences or disputes to the local branch or district association. Member firms are generally required not to employ during the continuation of a dispute any workpeople who are out on strike or are locked out by other member firms. Some federations provide that mem-

ber firms before engaging a worker who had previously been employed by another member firm shall obtain specified information from the former employer.

The funds of employers' organisations consist mainly of entrance fees, regular annual contributions towards working expenses, and special levies. The basis of payment varies according to industry. Some local associations in which differences in the size of firms are not great raise their revenues by uniform contributions paid by each firm. The usual practice in all the chief organisations, however, is for the contributions to vary according to the size of each firm or district association of firms. Relative size is also used as a basis for determining the number of representatives on the councils of national federations and for the voting power of member firms and district associations on questions of major importance. The criterion adopted in many industries for determining the relative size or importance of the member firms and district associations is either the wages bill or the number of persons employed. In some industries, however, the equipment used or the total production is a more appropriate measure. Thus, the contributions to the Cotton Spinners' and Manufacturers' Association are based upon the number of spindles and the number of looms, the Shipping Federation adopts the gross tonnage of the vessels belonging to the associations or companies as its criterion, while contributions to the Mining Association of Great Britain are based upon the tonnage of coal produced.

There is considerable variation in the constitution and management of employers' organisations. Some national federations retain the general meeting of members held once or twice a year as part of the constitution. For example, general meetings are held by the National Federation of Building Trades' Employers of Great Britain and Ireland, the British Federation of Master Printers and the Incorporated Federated Associations of Boot and Shoe Manufacturers of Great Britain and

Ireland. Whether, however, this system is maintained or not, many of the big national federations are managed mainly by a Central or National Council, an Executive Committee or Management Board, and various standing committees. There are also general meetings of members in the various districts, together with district or regional committees.

National councils are usually large bodies, often consisting of between 40 and 130 members. They include one or more representatives from each district or federated association, the number of representatives of any district being based upon its relative importance in the industry. Voting power on major questions is also determined according to the relative importance of each district. Regular meetings are usually held each quarter or half year to decide upon general lines of policy. Some constitutions provide that no action of importance shall be taken without a meeting of the Council. The Executive Committee or Management Board is a smaller body, often with about 15 to 25 members, which usually meets once a month, and in many federations it is mainly responsible for policy. Matters of detail are dealt with by an Administration or General Purposes Committee, while other committees usually include a Finance Committee, a Legal and Parliamentary Committee, and a Labour Committee.

National federations vary considerably in the extent to which local autonomy is retained by the federated associations in the districts, but in many industries the tendency in recent years has been to increase the powers of the central organisation. A considerable measure of autonomy is often retained by Scottish associations affiliated with federations covering Great Britain and Ireland. The constitutions of some federations limit the authority of the central organisation by providing that on certain major questions a general meeting of members shall be called or a referendum made to all the districts or federated associations. This applies particularly to decisions leading to

a lock-out or general cessation of work. Some constitutions require the approval of a two-thirds majority of the votes of members of the various districts before a lock-out may be ordered. Provision is usually made that no step of general importance to the industry shall be made by a district association without previously consulting the central organisation.

NATIONAL CO-ORDINATION

As already indicated co-ordination for labour matters is largely effected by the National Confederation of Employers' Organisations. Such co-ordination is, however, facilitated by the work of such bodies as the Federation of British Industries, the Association of British Chambers of Commerce, the National Union of Manufacturers and other bodies, which, however, are mainly concerned with economic and commercial questions. The National Confederation of Employers' Organisations is associated with the Federation of British Industries in a scheme adopted in 1929 for consultation with the General Council of Trades Union Congress on labour and economic questions of national interest.* The existence of a system for consultation between the three great bodies of employers and workers is of value in itself, though its operation has produced no outstanding results. The mechanism is, however, available for use when desired.

In the field of industrial relations the National Confederation of Employers' Organisations is of outstanding importance on the employers' side and is largely the employers' counterpart of the Trades Union Congress. Before the National Confederation was formed the employers' organisations in the separate industries had preferred to maintain independence in

* This scheme was the outcome of informal consultations known as the Turner-Melchett Conferences which were initiated after the General Strike in 1926, with a view to securing a better understanding between industrialists and the trade union movement.

dealing with working conditions, and had not merged any of their powers in a national body. Owing to the growing importance of labour and social legislation affecting industry and to the frequency with which it became necessary to bring the views of organised employers before the Government, the advantages of a co-ordinating body became evident and resulted in the formation of the National Confederation shortly after the War.

The Confederation is believed to include all the great employers' organisations which deal with labour matters; it affiliates organisations only and not individual firms. One of its chief activities is to make representations to the Government on labour matters affecting the general interests of employers' organisations with the object of ensuring, so far as possible, that new legislation and the administration of existing legislation shall not be prejudicial to these interests. Each member organisation, however, retains the right to make direct representations to the Government on matters specially concerning its own industry. Also collective bargaining for the determination of wages and other working conditions is reserved for the organisations within each industry. As already indicated, the Federation represents organised British employers on labour matters in the international field, being actively associated in the work of the International Organisation of Industrial Employers, and it is the most representative organisation for the purpose of nominating the British employers' delegates to the International Labour Conference, in accordance with the constitution of the International Labour Organisation, and its delegate has, by election, continuously held a seat on the Governing Body of the International Labour Office.

At general meetings of the Confederation the representation of each affiliated organisation is determined in accordance with its importance. There are also smaller bodies—the Council and a General Purposes Committee—which are largely re-

sponsible for administration and policy. While avoiding publicity and publishing no general reports on its activities the Confederation exerts a wide influence and, during recent years, no important measure on conditions of labour has been considered by Parliament without strong representations having been made to the Government by the Confederation. The Confederation also submits evidence to Government Committees and Royal Commissions which have been set up to conduct investigations concerning labour conditions.

General indications of the Confederation's policy are contained mainly in statements of evidence which it has submitted to these public committees and commissions, and in the speeches of its representatives at the International Labour Conference and on the Governing Body of the International Labour Office. Special interest attaches to a memorandum issued in June 1927 dealing with the Washington Hours Convention, and to two memoranda issued during the depression in 1931 when the gravity and difficulties of the industrial situation were stressed and certain criticisms raised upon the operation of the unemployment insurance system. The first of these memoranda indicates the reasons for the opposition of British employers to the ratification by Great Britain of the Washington Hours Convention. It emphasises that Great Britain had been a pioneer of the principle of the 48-hour week and that the 48-hour week or less had been applied in almost all industrial undertakings by the method of voluntary collective agreements and not by legislation. The Confederation stated that British employers had no desire or intention of departing from the principle of the 48-hour week, but preferred the elasticity of voluntary agreements to the rigidity of the Convention and the State control which it would involve. The view was held that there were no adequate guarantees that the Convention would be interpreted and applied uniformly in the different countries and it was suggested that interpretation and application would

be stricter and more rigid in Great Britain than in some other countries.

In the memoranda issued during the 1931 crisis the Confederation expressed the opinion that measures must be taken for reducing British costs of production. The claim was made that industry was prevented from reducing costs because of rigidities due to State action which had resulted in mal-adjustment of wage levels, excessive public expenditure and legislative restrictions upon industry. Since the War the State had in large measure come to determine the general standard of wage levels and it was argued that ruling rates of wages were higher than the export industries could afford. Rates of unemployment benefit were considered to be too high, while recommendations were made for a substantial reduction in public expenditure.

These views of the Confederation expressed during the economic depression should not be taken as representing its policy in more prosperous periods. Certain of its proposals made in 1931 were put into effect by the Government.

OBJECTS AND POLICY

Some indications have already been given in the preceding section about the objects and policy of British employers' organisations, which may therefore be reviewed here in summarised form. The organisations differ considerably in the emphasis they place upon the promotion of good relations with their workpeople, the development of joint machinery for conciliation and arbitration and the determination of reasonable working conditions. Some associations place chief emphasis upon resistance against unfair or restrictive demands by trade unions, while others appear more positive and constructive and include among their objects the maintenance of amicable relations with the workpeople and their organisations.

The chief objects are as follows:—

1. To protect and further the interests of the organisation and its member firms and to promote organisation among employers in the industry.
2. To take such action as may be necessary or desirable for securing agreements on wages and other conditions of labour, for the avoidance of disputes and the settlement of differences between members and their employees. Some associations specify the promotion of just and reasonable settlements by the formation of joint boards for conciliation and arbitration, and the cultivation of friendly relations by joint industrial councils or other means.
3. To secure mutual support, co-operation and uniformity of policy in dealing with demands made and action taken by workpeople or combinations of workpeople with regard to wages and other working conditions, and to resist demands for rates and conditions likely to be injurious to the industry.
4. To protect members against strikes or disputes with employees or against losses incurred by acting in conformity with decisions of the association, and to give members pecuniary, legal or other assistance.
5. To watch over, promote or oppose legislation affecting the interests of the industry, and to make representations to Government Departments and before Government Committees on matters of interest to the industry.
6. Some associations form companies to provide insurance required by legislation for Workmen's Compensation and employers' liability.

One of the chief features of the policy of organised employers in Britain is the recognition they accord to trade unions for the purposes of collective negotiations. Employers, however, usually support their right to give employment to any worker whether a trade unionist or not. Opposition is shown to various trade union restrictions, and also to participation by workers in the functions of management. Opposition is also shown to extensions of State regulation in industrial relations, and curtailment of certain existing regulations is demanded. The view is held that private enterprise and capitalist control should be maintained and that legislation is often not flexible enough to

permit of sufficient adaptation to changes in economic conditions. Preference is shown for the greater elasticity of collective agreements by comparison with the rigidity of legislation. Among the consequences of this attitude has been resistance to proposals for the nationalisation or public control of various industries, e.g. the mines and railways. It is one of the main reasons for opposition to ratification of the Washington Hours Convention.

For more than a decade up to about 1933 a policy of wage reduction was pursued, the view being held that wage rates were too high, especially in the sheltered industries and services, including national and local government services. During the last few years, however, agreement has been reached for wage increases in many industries, following negotiations with the trade unions. Hours of work in certain industries have been slightly reduced in recent years, but since the widespread adoption of the 48 or 47-hour week in 1919 and 1920 employers' organisations have resisted demands for further reductions to a 40 or 44-hour week. The years 1935 to 1938 saw a rapid expansion of the system of annual paid holidays, the arrangements often being made by the method of collective agreements.

The principle of rationalisation of industry is supported, but in some industries the individualistic attitude of many employers hinders the adoption of amalgamation schemes and other methods of reorganisation. There is no strong support for abandoning the system of tariff protection which was introduced during the depression.

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5.

THE TRANSPORT AND GENERAL WORKERS' UNION

THE UNION IN ITS BACKGROUND

I. INTRODUCTORY

THE Transport and General Workers' Union is one of the foremost trade unions in the world.

In saying this we do not feel that we are making any extravagant claims. From the point of view of membership, the statement is certainly justified, but the Union's prominence is not due to its great membership alone. The strength and efficiency of its organisation, the achievements which it has to its credit, and the service which it has rendered to the Labour Movement, are widely regarded as an example and inspiration to others.

The story of how it came to be formed is one of the most fascinating in the history of the Trade Union Movement. Constituted in 1922 by the amalgamation of fourteen Unions with members engaged in transport and general labour, it has grown from strength to strength. The ground for the amalgamation was thoroughly prepared and the foundations laid with great care and skill. The new Union was meant to last.

Its success has fulfilled and even exceeded the expectations of its founders. The structure devised during those long and anxious negotiations has proved to be strong enough to weather every storm and to withstand all the stresses and strains to

which a union comprising so many classes of workers is bound to be subjected.

The organisation has, moreover, shown itself to be capable of expansion and adaptation. Many other Unions have been merged in the Transport and General Workers' Union since the original amalgamation. Many new trades have been added to the list of those in which its members are engaged. One of the secrets of its success has been its power to provide for the needs of the workers in these trades, and to add one Union after another to the main structure without upsetting its balance or disturbing its harmony. It has tackled the varying problems of the separate trades and yet secured unity of organisation, direction and purpose.

This unity, however, has not meant mere uniformity. In welding so many diverse groups into a homogeneous national organisation, it has not destroyed their individuality and vitality.

Nor has it reduced the individual member to a mere number on the books or a cog in the machine. True there is always a risk that as an organisation grows in size it may recede further from the individual. Increasing membership and growing responsibilities involve the need for more officers, offices and bureaucratic machinery. The organisation becomes more formidable, and the individual member begins to feel dwarfed.

Let it be said at once that those who have the welfare of the Union at heart would regard it as a catastrophe if our organisation were allowed to swamp the individual in this way. The Union consists of its members. It is a voluntary organisation formed by the members from whom the ultimate sovereignty is derived. To paraphrase the famous saying of Abraham Lincoln, its basis is government of the members by the members for the members.

These pamphlets have been written for the members because we want them to know and understand their own organisation to the full. There are now many thousands of them who do

not remember the original amalgamation and do not realise what problems had to be solved and what pitfalls avoided in the light of earlier trade union history. We want them to know these things, so that they may appreciate what has been done and be in a position to explain the Union to others.

There is another point. Industry is rapidly developing and constantly changing. New problems are continually arising, new situations have to be met. Our Officers have a far more difficult task than they had in the days before the War. Our members have a far greater responsibility towards their organisation. As always we must rely upon the staunch trade unionist to form the backbone of the Union and to be its mainstay in times of trouble. But in these days we need an increasing number of members who not only believe in trade unionism but who also know and understand the facts and problems of modern industry, and the changing situations which the Union has to face.

In these pamphlets we have, therefore, told the story of the Union, explained its structure and machinery, shown how it works and examined the place of the individual in the organisation. We have gone further, however, and considered a series of problems, some affecting trade groups within the Union and others concerning industry as a whole.

The Transport and General Workers' Union is a great organisation in itself, but even so it is only a part of the wider Labour Movement. The Union has never taken a narrow view of its position or of its obligations towards the Movement in general. Our members have a Union of which they may well be proud, and to which it is a privilege to belong. The Union in its turn is merged in that wonderful and inspiring Movement which is bringing about vast changes in the world. We are proud of our association with that Movement, and we yield to none in our desire to play a worthy part in it.

These pamphlets, therefore, carry us outside the limits of

our own organisation and into the wider sphere of the Labour and Socialist Movement at home and abroad.

II. THE EMERGENCE OF THE UNION

I. RISE OF THE TRADE UNION MOVEMENT.

From the early part of the Nineteenth Century onwards a variety of attempts were made to make Trade Unionism an effective force. Previous to that, such organisations as existed were confined to the crafts. Mainly local in character their functions were largely confined to purely trade action.

It was in the year 1834 that the first real attempt was made to create a strong national trade union instrument. We refer to the Robert Owen Movement as expressed through the Grand National Consolidated Trade Union, an organisation based upon a federation of trade lodges, the intention being to include all the working classes in one great trade union. This huge combination of trades, which at its zenith probably comprised a million members, was shattered by strikes, lock-outs and dissension.

Then came:—

- the Chartist Movement;
- the adoption of a "New Model" of organisation under which trade unionism (primarily in the skilled trades) obtained a financial strength and a permanence of membership hitherto unknown;
- the development of the Junta, a group of trade union leaders exercising great authority;
- the formation of the Trades Union Congress;
- the fight for legal status; and
- the "New Unionism", a description applied to the development of trade unionism among unskilled workers, which led to the formation of general labour unions.

With the opening years of the Twentieth Century we become aware of a new intellectual ferment, not confined to any one country, expressed through the revolutionary preachings of the leaders of Syndicalism and Industrial Unionism. Side by side with this we see the development, on the Continent of Europe, of the trade union movement built on the political movement.

None of these movements, however, seemed to fit in with British outlook and temperament. A careful study of industrial history will show that the binding force which primarily held the workers together in this country was their trade or calling. So much so that there became expressed, even in the titles of the Unions, a force which represented or typified the desires of those who came together for the purpose of comprising such organisations.

2. TRADE UNIONISM FOR TRANSPORT AND GENERAL WORKERS.

This, then, is the general background, and we now turn to the specific historical events leading to the formation of the Transport and General Workers' Union.

The 1889 Dock Strike.

1889 witnessed the first great upheaval through the medium of the Dock Strike of that year. It represented the culmination of an attempt to organise the unskilled workers which had begun in London two or three years before.

The victory of the London Dockers gave an impetus to trade unionism. Unskilled labourers became organised in their tens of thousands. A large number of trade unions sprung up; the Dock, Wharf, Riverside and General Workers' Union—superseding its predecessor, the Tea Workers and General Labourers' Union—established branches in all the principal ports; and the initial steps were taken to found the National

Union of Dock, Riverside and General Workers in the Mersey District.

The expansion of trade, however, which began in 1889, proved to be of brief duration. With the returning contraction of 1892 many of the advantages gained by the general body of wage earners were lost, and under the influence of this check large numbers of unskilled labourers once more fell away from the trade unions.

The Emergence of the National Transport Workers' Federation.

Subsequent years saw the rise of a new grouping. The several Unions of seamen, lightermen, dock and wharf labourers, coal porters and carmen, asserted themselves as transport workers seeking not merely to take common action in matters of hours and wages, but to formulate regulations for the government of the industry.

For this purpose, in the year 1910 the National Transport Workers' Federation was formed, at the instance of the Dock, Wharf, Riverside and General Workers' Union.

The 1911-1912 Dock Strikes.

The National Transport Workers' Federation came at once into prominence during the London Dock Strike of 1911, the first great fight in the Port of London since the upheaval of 1889.

The National Union of Seamen, led by Havelock Wilson, struck in June of that year for a uniform scale of payment at all ports and various minor ameliorations of their conditions. The dockers followed in July with a strike for increased hourly rates. The strikes were a success and thousands of unskilled workers again flocked into the trade unions.

The lesson of the 1889 movement was recalled and it was realised that something must be done to consolidate the position

if there was not to be a repetition of the spectacle of enrolling thousands of workers only to see them fall away again in a short space of time.

Those responsible therefore directed their minds towards ascertaining the best methods to evolve order out of chaos and to devise ways and means of rendering more efficient service to the members enrolled.

The National Transport Workers' Federation became the rallying point for those engaged in the main transport services of the country. It formed District Committees and issued Federation Cards, the object being the equal recognition of the cards of all those engaged in transport. There ensued, however, a tremendous competition for membership between the Unions and conflict both nationally and locally, and as a consequence the scheme was not effective.

In May 1912 the dispute again flared up in the Port of London. The dockers asserted that the employers had not in all cases fulfilled the agreement of the previous year and were discriminating against trade unionists. The result of the dispute was disastrous and represented a severe test for the Federation. So desperate did the situation become that the Federation took the step of ordering a National Strike in sympathy with London. The response was very poor. Southampton, Plymouth, South Wales, Bristol and Manchester, were the only ports which obeyed the call; the rest of the country ignored the decision of the Federation and remained at work. Chaos ensued, agreements were broken, thousands of men were victimised, those employed by the Port of London Authority lost their pension rights, and many years of effort had to be put in to restore the position. In some cases, the re-establishment of agreements was held over until the War broke out in 1914.

Thus did it become evident that a federation decision without the full backing of the Executives of the affiliated Unions

was of small consequence, and particularly so in the case of national movements.

One defect stood out with great clarity—the need for the centralisation of funds under the control of a single central authority, for it will be recognised that finance must play an important part in a strike of any magnitude. The Federation left the affiliated Unions exactly where they were, setting up its own Executive and funds, whilst in some cases the Unions within the Federation did not even have a central fund themselves, such funds as existed being controlled by the individual branches.

Attempt to form one Union for General Workers.

In the year 1908 the principal general labour unions became associated in the National Council of General Labourers (superseded in 1917 by the National Federation of General Workers), a consultative body having for its principal function the prevention of overlapping and conflict between the different Unions.

Scarcely one of the Unions was limited to any particular craft. Like "Topsy" they had just grown up, accepting into membership all classes of general and transport workers. The National Council of General Labourers sought to unify organisation by the complete merger of all the general workers into one great consolidated Union. The amalgamation scheme made no provision for handling the affairs of the different trade sections after amalgamation. On the other hand, it provided for a complete recognition of cards, i.e., the members of the amalgamated union were to be entitled to enter into any trade covered by the Union irrespective of the trade agreement or conserves which had been built up by the different trade sections. This led to a good deal of bitterness among certain classes of men, who, although in membership of different unions, had established to themselves a conserve.

At this time there had developed in certain of the ports, particularly in Liverpool, a system of registration for the purpose of restricting the number of workpeople who could seek work on the docks. The provision in the amalgamation scheme to which we have referred, if adopted, would have rendered that system completely ineffective, and as a consequence, the Liverpool Union (the National Union of Dock, Riverside and General Workers) and certain other Unions refused even to take part in the discussions.

The scheme was sharply criticised from this and other angles and in the result was a complete failure.

3. THE IMMEDIATE BACKGROUND.

As the years passed the need for unifying trade union organisation in transport and the general trades became more and more apparent. How, then, was the problem approached?

Conception of Grouping Principle.

Our General Secretary (Ernest Bevin), who became a trade union officer in 1910, had closely studied industrial history and given considerable thought to the problem of the organisation of the Trade Union Movement. It was his conclusion that merely to create a great mass organisation without a scientific method of administering it would be to embark upon a venture doomed to failure at its inception. On the other hand, with the growth of the Combine and the general development of industry, he recognised the necessity of combining the cry for industrial unionism with the plea for general unity.

In the U.S.A. the American Federation of Labour had, with their craft trades, built up a Labour Department, and whilst the constitution of that Department was too loose and did not deal with the position of the general labourer, yet it had within it an element of design which was worth studying and developing.

The German system of complete centralisation also was examined, but dismissed as being incompatible with British psychology.

After many years of study, analysis and comparison, Ernest Bevin conceived the idea of grouping the different trade sections within one Union. He had to some extent successfully experimented with this principle in Bristol, where he held office as District Secretary of the Dock, Wharf, Riverside and General Workers' Union, and prior to them it had been found possible in that Union, when the Tinplate Trade was organised, to give industrial autonomy.

Having determined the basis it became a question of the right method of approach. The first steps had to be taken tentatively. The initial move was to suggest a grouping of trades within the National Transport Workers' Federation and the National Federation of General Workers, the aim being to arrive at a position whereby these two great organisations would be closely linked financially and function effectively. This effort failed, but it marked the beginning and made possible the progress towards amalgamation which followed in another way.

National Industrial Movements.

The second stage was the promotion of national movements, i.e., the submission of applications for increased wages and improved conditions on behalf of great groups of workers employed in similar industries at one and the same time. Previously, negotiations were localised—either firm by firm or district by district.

One of the first industries tackled in this way, which incidentally has since proved to be the most difficult, was Commercial Road Transport. A similar process was carried through for Docks, Canals and Waterways, Passenger Road Transport, and, subsequently, in a large number of newly-organised trades

such as Food Production, Cement Manufacturing, Cable Making, etc.

In the initiation and progress of these movements it was necessary to hold representative conferences. This meant that officers and laymen, irrespective of Union, were brought together in discussion for the first time, thus creating what might be described as an industrial comradeship. The problems which they were considering together affected them all alike.

The value of the policy of national movements was demonstrated at the end of the War when a movement was promoted for a shorter working day. Under the auspices of the two Federations the whole of the industries within their scope were dealt with group by group, and hours of labour ranging from 56, 72 and in extreme cases 84, were reduced to 44, 47 or 48 per week.

At this time, it was constantly urged that if the gains secured were to be preserved then the conglomerate nature of the Unions must give way to the larger organisation and more scientific methods of treatment. Progress, however, was very slow. The country was experiencing the boom period immediately following the War and everybody was fairly well satisfied. Unions had built up large funds and felt secure, despite the teachings of history—that trade booms which follow wars are always very short-lived.

Shaw (Dock Industry) Inquiry.

The event which was probably responsible more than any other for creating an amalgamation psychology amongst the dockers occurred in the years 1919 and 1920. We refer to the historic movement in the dock industry culminating in the Court of Inquiry commonly referred to as the Shaw Inquiry.

The cost of living had advanced with such rapidity that almost every wage increase secured was immediately nullified.

The problem facing the Unions was as to how to secure a new basis.

With the object of placing the wage system of the dock industry on a sound national foundation the Dock, Wharf, Riverside and General Workers' Union took the initiative in promoting a national claim for a daily minimum of 16/- per day and a national scheme of decasualisation by means of registration with the provision of maintenance during unemployment.

Negotiations brought no material result and a serious dispute was imminent. The Minister of Labour intervened and arising therefrom the claim was referred, by agreement, to a Court of Inquiry constituted by the Minister under the Industrial Courts Act with Lord Shaw of Dunfermline presiding.

The Court of Inquiry investigated the whole of the conditions associated with dock life and labour. Broadly speaking, the findings of the Court fell under four heads, as follows:—

1. The establishment of a minimum wage of 16/- per day.
2. Condemnation of the casual system of dock labour.
3. Acceptance of the principle of registration and ultimate maintenance and decasualisation.
4. The setting up of national and port machinery.

These recommendations formed the basis of a National Agreement for the dock industry and a National Joint Council with constituent Port Committees. This machinery, which still operates, has proved of great value to the industry.

The success of the movement was largely due to the masterly handling of the dockers' case by our present General Secretary, Ernest Bevin. He earned the commendation of practically all ranks of society and became aptly described as the "Dockers' K.C.", a description which has remained associated with him to this day.

Much has been written about the Shaw Inquiry, but for the purpose of this historical survey it is sufficient to say that the

movement which led to it and the conduct of the dockers' case demonstrated in a remarkable fashion the value of national movements under a single direction and paved the way for the amalgamation discussions which later took place.

Tram Inquiry.

A movement followed for the establishment of improved wages and conditions on a national basis for the tram industry. This also was the subject of a Court of Inquiry appointed by the Minister of Labour under the Industrial Courts Act, which sat in the year 1920, and while it did not bring the same immediate results as the Shaw Inquiry, its recommendations formed the basis of the national agreement ultimately negotiated for the tram industry.

It did more, for it had the effect of bringing together, for one operative purpose, all the Unions associated with the Passenger Carrying Industry, thus again demonstrating the value of united effort.

4. FORMATION OF THE TRANSPORT AND GENERAL WORKERS' UNION.

Other national movements followed until in 1920 two factors arose which led the Executive Council of the Dock, Wharf, Riverside and General Workers' Union to take the step of initiating amalgamation discussions. They were:—

1. The growth of national agreements and dealing with industries on a wider basis meant that there must inevitably be a uniform direction of policy, if progress was to be maintained. It became patent that where efficient management existed within a Union the very best could be secured from the agreements. On the other hand, where slackness existed, local control or a lack of understanding of the main purpose behind the national movements, there was an in-

different observance of the agreements and disputes arose in consequence.

2. By the sheer drive of the policy of the trade unions, the employers had been forced to come together in associations and federations and it therefore became imperative that there should be efficient national organisation on the trade union side to deal with the situation.

First Steps.

Conversations first took place with the National Union of Dock, Riverside and General Workers. The two Unions appointed a Joint Sub-Committee and after frankly facing the difficulties of amalgamation they decided to send an invitation to the following Unions associated with the dock industry, who had previously co-operated together, to participate in amalgamation discussions:—

National Union of Dock, Riverside and General Workers.

Dock, Wharf, Riverside and General Workers' Union.

Scottish Union of Dock Labourers.

National Amalgamated Labourers' Union of Great Britain and Ireland.

National Shipping Clerks' Guild.

National Union of Docks, Wharves and Shipping Staffs.

Amalgamated Stevedores Labour Protection League.

North of England Trimmers' and Teemers' Association.

Labour Protection League (South Side).

Cardiff, Penarth and Barry Coal Trimmers' Union.

Amalgamated Society of Watermen, Lightermen and Bargemen.

Mersey Watermen.

National Union of Ships Clerks, Grain Weighers and Coalmeters.

On August 18th, 1920, a Conference was held of representatives of the Executives of these Unions, with the exception of the Weaver Watermen's Association, who expressed a desire to be informed of the decisions reached. Great care was taken at this conference to confine the discussion to the general principles. A good spirit prevailed and it was finally decided to affirm the principle of amalgamation and to appoint an Amalgamation Committee to draft a suitable scheme.

During its deliberations, the Amalgamation Committee extended the scope of the proposed amalgamation to include the Unions catering for road transport workers, and the Executives of the following Unions were accordingly invited to participate in the discussions:—

United Vehicle Workers.

National Union of Vehicle Workers.

Liverpool and District Carters' and Motormen's Union.

Amalgamated Association of Carters and Motormen.

North of Scotland Horse and Motormen's Association.

Scottish Horse and Motormen's Union.

The fact that in January 1920 an amalgamation of Unions had taken place resulting in the formation of the United Vehicle Workers was of considerable help in this extension of the discussions, for although that Union could not be said to have been consolidated yet it had been welded together sufficiently to act as a unit in the constitution of the scheme. Another helpful factor was that the National Union of Vehicle Workers had extended its organisation outside London and this offered an opportunity to link up a greater number of commercial road transport workers in the amalgamation.

We have already said that many of the Unions had set out to organise all classes of transport and general workers, and it will thus be seen that the suggested amalgamation embraced

all the principal forms of transport, other than railways, with the addition of important groups of general workers.

Grouping System.

In the opening pages we referred to the fact that Ernest Bevin conceived the idea of grouping definite industrial sections within one Union and in passing it will not be out of place to mention that he first committed this idea to paper at the time of the transformation of the old Parliamentary Committee into the General Council of the Trades Union Congress and also when the International Transport Workers' Federation was re-formed at the end of the War.

This grouping system became the basis of the amalgamation discussions, for it soon became apparent that unity could not be secured unless a way could be found to allow each industry or group of industries to have their own committees to deal with trade problems. The grouping system, with a Central Executive Council, supplied this need and gave a considerable confidence inasmuch as the very nature of the system constituted a guarantee against any one section being dominated by the bigger battalions.

Branch Organisation.

Many problems arose in the course of the amalgamation discussions. It was, for instance, of paramount importance to the success of any scheme which emerged that there should be a minimum of disturbance with branch organisation and in this respect many lessons were drawn from the methods employed in the world of industry. Invariably, when central buying, production and the management of a given industry are merged, the "customer" is left undisturbed.

It had to be recognised that the branches of the Unions taking part in the discussions had long historical associations and presented a common meeting ground. Whatever may happen

to the Union in the larger sense, to the member his branch is his citadel.

Psychological factors play an important part in any movement which seeks to unite great bodies of men, and, therefore, in the formation of the trade groups the principle was accepted that the actual branch organisation should, as far as possible, remain untouched.

Benefits.

The provision of benefits represented another vital problem. Although the range of contributions was somewhat similar the benefits of the several Unions varied considerably.

It was recalled that many previous efforts to unify the Movement had broken down on the question of benefits, and to avoid history repeating itself it was decided that every member should be guaranteed the benefits to which he would have been entitled and his Union continued as a separate entity. A new basic scale was, however, constructed for new entrants, to come into operation on the day appointed for the consummation of the amalgamation, and to which existing members could elect to transfer. Provision was also made for higher optional scales.

While appreciating that the varying scales of benefits would create administrative difficulties, the Amalgamation Committee wisely concluded that such difficulties would be small compared to those which would have arisen had the pre-amalgamation benefits been relegated to the past at one stroke.

A reference to Part III will give some conception of the wide range of financial obligations undertaken by the amalgamated Union in the matter of benefits, all of which will gradually disappear in the process of time.

Amalgamation Ballot.

After months of examination and consultation the Amalgamation Committee completed its task and submitted the re-

sult of its deliberations to a conference of representatives of 19 Unions held in London on December 1st, 1920. The Conference approved the Scheme of Amalgamation and arrangements were thereupon made for its submission to a ballot vote of the members.

The law requires that in order to carry through an amalgamation of trade unions at least 50% of the members of each Union must vote and that there must be a majority in favour of not less than 20% of the members voting. It will be readily appreciated that with so many Unions involved tremendous difficulties had to be faced.

To assist in surmounting these difficulties a very interesting piece of propaganda was conceived. In the first place, a copy of the Scheme, accompanied by a leaflet containing a letter urging the advantages of amalgamation, together with a copy of the resolution passed by the Delegate Conference autographed by the Chief Officials of the Unions there represented, was circulated to each individual member through the respective General Secretaries. Lantern slides were then prepared setting forth in diagram form the construction of the proposed new Union and how it would function. Cinemas were engaged in all the principal towns, the members called together and the Scheme thoroughly explained, prior to the actual ballot. It is interesting to note how much easier it is to achieve success by giving ocular demonstrations than by merely relying on propaganda speeches. In almost every town visited in this way a majority vote was assured.

Some of the Unions failed to secure the requisite majority vote but it was resolved not to attack or use any pressure on these Unions. As a matter of fact, several of them have since come into the amalgamation as the result of subsequent ballots and have been equally loyal and devoted to the greater Union.

Actually 14 Unions (as follows) came together as a result of the ballot, and at a Conference of representatives of those

Unions held on May 11th, 1921, it was determined that the new Union should commence to function on January 1st, 1922.

The 14 Unions were:—

Dock, Wharf, Riverside and General Workers' Union of Great Britain and Ireland.

Amalgamated Society of Watermen, Lightermen and Bargemen.

Labour Protection League.

National Amalgamated Labourers' Union of Great Britain and Ireland.

North of England Trimmers' and Teemers' Association.

National Union of Docks, Wharves and Shipping Staffs.

National Union of Ships Clerks, Grain Weighers and Coalmeters.

United Vehicle Workers.

Amalgamated Carters, Lorrymen and Motormen's Union.

National Union of Vehicle Workers.

Associated Horsemen's Union.

National Amalgamated Coal Workers' Union.

North of Scotland Horse and Motormen's Association.

Amalgamated Association of Carters and Motormen.

For the government of the Union during the transitional period the Conference appointed a Provisional Executive Council to supersede the Amalgamation Committee, together with Provisional Trustees and Executive Officers.

Rules.

The Provisional Executive Council proceeded immediately with the drafting of the rules of the new Union.

When commencing afresh the construction of rules is a fairly simple matter but in an amalgamation such as this it is necessary to replace existing rules by an entirely new constitu-

tion with broadened objects, a wider purpose and larger applications, and yet at the same time to incorporate many of the features and methods of the amalgamating unions in order to give a feeling of security to those who were being asked to transfer their allegiance to the new organisation.

After much laborious effort the draft rules were completed and had first to be submitted to the Executives of the amalgamating Unions who in turn tabled amendments. The Provisional Executive Committee examined these amendments, incorporated a number and gave reasons for the rejection of the others.

There followed a representative delegate conference—virtually the Amalgamation Conference—held at Leamington on September 27, 28 and 29, 1921, through which the rules were piloted after much labouring, explaining and compromising.

Consummation of Amalgamation.

The Amalgamated Union commenced to function on January 1st, 1922, according to plan, taking over responsibility for all the activities of the respective Unions.

A first essential step was to carry through the transfer of the assets and properties within a period of three months from the date of the inauguration of the scheme, and to endeavour to do this without incurring a great deal of legal expenditure. The difficulties were considerable. For instance, in a number of cases, changes of trustees had not been brought up to date, while in others, the assets were not centralised, but divided up between the branches. Despite all the complications, the task was completed by the end of March, 1922.

Coincident with this work, the territorial areas had to be created, the situation of the Area Offices decided and arrangements made for the election of the group, area and national machinery, necessitating visits to all the districts in turn and continuous consultation with the various sections.

Arrangements had also to be made for the Officers and the Staff of the amalgamated Unions to be fitted in to carry on the work of the new Union. During and after the War, large official staffs had been built up and at the time of the amalgamation, the post-war slump had already set in. Nevertheless, an undertaking was given to take into employment of the Amalgamated Union every Officer and Member of the Staff, an undertaking which was carried out to the letter.

In many cases, it meant a re-shuffle of positions and the dropping of titles. This involved the exercise of considerable tact and tolerance, but on the whole the change-over was carried through very successfully. There is no doubt that the Official Staff taken over was in excess of actual requirements. The new Union, however, in accordance with the decisions of the Amalgamation Conference, proceeded with the introduction of an Officers' Superannuation Scheme which, in the process of time, by the inclusion of a compulsory retiring age, helped considerably in solving the staffing problem. Incidentally, a similar scheme was later introduced for the Staff, a feature of both schemes which was now at the time being the provision of a widow's pension.

A further important step undertaken, which has prevented many difficulties, was the transference of contribution administration to the Area Offices. The transference was carried through without a hitch and made possible the centralised finance methods now operating.

The foregoing are but a few of the problems that had to be faced during the transition period. They are chosen at random purely to illustrate the character of the problems and the method of their handling. In all, it was a tremendous task, but one which was carried through with ability and expedition. The responsibility fell upon the Provisional Executive Council and it would be true to say that the work done at that time and

the wise decisions taken laid the solid foundations upon which this great Union now stands.

Tribute should also be paid to the thorough-going manner in which the thousands of men and women, brought together from their separate unions, set about the task of making the new machinery of organisation work smoothly and efficiently. A remarkable feature of the amalgamation which, to some extent, represented half the battle.

By the middle of 1922, the first stage of the amalgamation had been completed, the groups established and machinery evolved. The Provisional Executive Council had thus discharged its responsibility and in August of that year gave way to the first statutorily elected General Executive Council.

During the early transition period, amalgamation negotiations had continued with other Unions. New ballots were arranged and fresh propaganda inaugurated so that by 1923 further organisations were brought in, thus enabling the basic scheme of amalgamation to be completed.

On taking office, the General Executive Council directed its attention to a review of the types of workers coming within the amalgamation, in order to obtain some appreciation of the tasks which lay ahead. So far as the total membership was concerned, there was found to be a marked difference between the membership returned by the amalgamating Unions and the final figures. In fact, although the returns accounted for 373,000 members, on a strict financial basis the total membership was really some 90,000 less. This gave some grounds for anxiety, for it was recognised that time had to be allowed before the machinery of organisation could be regarded as working effectively, added to which unemployment had by that time arisen to a formidable figure.

The position called for wise management and intensive effort, coupled with foresight and imagination. The following pages, in which we seek to portray the story of the Union,

demonstrate the skillful manner in which those responsible for the leadership, assisted by a wonderful loyalty on the part of the general membership, steered the Union through the long years of depression to its present pre-eminent position in the Trade Union Movement.

III. EVENTS AND ACHIEVEMENTS

The history of the Transport and General Workers' Union is a story of the struggles and achievements of working men and women who have carried on in their day and generation the age-long battle of the working-class for reasonable standards of life and a new Social Order based upon political and economic freedom for all.

The Union has not been content to *preach* "class struggle"; it has waged it, scientifically and with the ultimate goal always in mind. On joint industrial councils, conciliation boards, trade boards and industrial courts of inquiry it has fought for and secured improvements in wages and conditions; in evidence given before Royal Commissions it has fought to amend social and industrial legislation; in courts of law it has carried on the fight to secure justice for workmen injured, and, in many cases, mutilated in industry; on the political field—in Parliament and by means of deputations to Government Departments—it has played its part in the struggle for protective legislation; and in the field of Local Government to secure proper administration of every act beneficial to the people.

In all these struggles the Union has met remarkable success. In the transport industry and connected trades improvements in wages and working conditions, which cannot be assessed in monetary terms, have been secured for more than a million workers. Vital issues of principle have been fought out and standards established which nothing but the complete destruction of the Movement itself can destroy. The amount secured

in compensation and damages runs into over two million pounds, and in thousands of cases injured workmen would not have received a penny had they not been backed by the Union. The Legal Department has won cases that even lawyers have regarded as hopeless. On the other hand, cases have been taken to the Court of Appeals and even to the House of Lords, the determining factor all the time being the justice of the claim. Once satisfied as to that, the case goes on and no expense is spared.

The account which follows is merely the barest summary of our struggles and achievements. Many volumes would be required to tell the complete story, which has yet to be written.

I. THE EARLY YEARS.

The amalgamation was launched during a period of great economic stress; yet it was just that situation which made the greatest possible consolidation of labour forces a vital necessity, if the workers were to be saved from the worst ravages of the slump which followed the end of the war. Unemployment was rising in all parts of the country, and, despite the fact that the cost of living figures stood at 92 above pre-war, employers in all industries were demanding drastic wage reductions, increased hours of labour and a general worsening of conditions. The 48-hour week, and, where it had been secured, the 44-hour week, were definitely in danger.

In addition, organised employers were trying to smash the Trade Boards Acts and destroy wage-regulating machinery covering about five million workers, thousands of whom were women and young persons.

In the field of social services the economy axe was being wielded ruthlessly and without regard to the damage being done to the health and well-being of the nation.

The economic situation was all against any forward move by the organised workers, but they had also to face a determined

effort on the part of the employers, backed by the Coalition Government, to force them back to pre-war standards.

That, briefly, was the position when the Union began to function; and looking back over that very difficult period it is clearly evident that but for the amalgamation many hard-won reforms would have been lost. The amalgamation had a steady influence on the employers, and on the other hand, it put new courage into the workers. True, the employers did not drop their demands, but a more conciliatory tone was very noticeable.

The Struggle to Maintain Conditions.

Right from the beginning the Union was plunged into the struggle to maintain conditions. It had practically all sections involved, and during 1922 negotiations were conducted on behalf of over 250,000 Members.

In February, 1922, the employers in the tramway industry demanded revision of the 1919 agreement. Commenting upon the agreement reached in April, 1922, the Passenger Group page of the "Record" says:

"There is not the slightest doubt that the employers were intent upon securing the abolition of the 48-hour week. The 48-hour week and the guarantee have been maintained."

In June, 1922, the tramway employers attacked wage standards and demanded a reduction of 12/- per week. Strenuous resistance by the Union resulted in a settlement which conceded a reduction of only 3/- per week. Nearly 50,000 men were involved in the negotiations, and if the original demands of the employers had been agreed to it would have meant a tremendous cut in purchasing power.

In London, the Commercial Road Transport employers demanded cuts ranging from 7/- to 10/- a week, but such was the resistance of the Union that the demand was not enforced.

In the, Docks industry the employers made demands for

wage reductions of 3/- a day, extension of hours and overtime, and a general worsening of conditions, which, if conceded, would have thrust the men back to the conditions of 1889. The Union's Annual Report for the year ended December, 1922, commenting on the settlement eventually reached (which conceded a reduction of only 1/- a day) says:

"Subsequent to giving effect to the settlement every rate in the country was examined and checked at Central Office, and as a result many of the conditions of the Shaw Agreement which had not been operative in certain of the ports were enforced. The local agreements were in every instance brought up to date, and in many cases where the men received a reduction in rates, this was more often balanced by improvement in conditions."

Nearly 90,000 were involved, and the Annual Report points out that by getting the proposed cut modified it had saved the men £702,000 a year in wages alone.

As in road transport and docks, so throughout every industry in which the Union had members. Metals, chemicals, ship-repairing, engineering, flour milling, food preserving, government workers—all were attacked, but in every case the Union succeeded in getting the proposed cuts considerably modified and at the same time maintained conditions.

The first Annual Report says that the wages of the bulk of the members would have been at least 30 to 40 per cent lower if the Union had not been in existence. The rates maintained for the members

"stand out well in comparison with the rates of many of our unfortunate friends in the Trade Union Movement. The Union had come out of a most trying ordeal in membership, sound in finance and virile in activity."

Trials and Difficulties.

If we have dwelt fairly long on the first year of the Union's life, it is because we feel it necessary to give some idea of the

economic difficulties it had to overcome. Nor were these all; during the year the Union's structure had to be perfected. Area Committees and Trade Group Committees had to be elected; administrative departments efficiently staffed; legal and political departments set up; difficulties between Officers and between active members of the amalgamating Unions smoothed out, and the whole machinery of the Union got into proper working order.

It was no easy task, and looking back on 1922 and having regard to the economic situation and all the problems it created, we can only say that the great achievement of bringing 14 Unions into one organisation was certainly equalled if not surpassed by the economic and administrative achievements of the first year of the Union's life. The amalgamation had been justified by results. The traditions of 14 Unions whose members had experienced all the horrors of class struggle, who had tightened their belts many a time for the cause of Trade Unionism, had been nobly upheld. The future of the Transport and General Workers' Union was assured.

Two departments set up by the Union at this time marked an entirely new departure in Trade Unionism. These were the political and legal departments. In services to the membership both have justified their establishment.

The year 1923 found the working class still on the defence against attacks on their standards and many sections suffered drastic reductions.

The policy pursued by the Union was orderly retreat where retreat was unavoidable; that is, it did not dissipate its funds in strikes in which it could see no hope of success. Funds and membership were maintained, and during the year its whole position was reviewed and the ground prepared for a counter-attack at the first favourable opportunity.

Meanwhile, strenuous efforts were made to ease conditions where this could be done by legislation, and it is interesting to

note that as far back as 1923 the Union's representatives at a conference with the Ministry of Transport presented proposals for the improvement of conditions in the commercial road transport industry. These proposals emphasised the need for a practical driving test; a minimum age of eighteen years for drivers of light vehicles and twenty-one years for drivers of heavy lorries; assistants for trailers; prohibition of payment on a mileage or tonnage basis; adequate rest periods, and the setting up of an advisory committee. It will be seen, therefore, that the Union pioneered many of the reforms which have been established for this industry since 1923.

In 1923 the Union was faced with its first big unofficial movement. This amalgamation has always been a magnet for the "left wing"; these people seem to sense something in it which attracts their mania for destruction; and in the second year of the Union's life they brought about a Dock Strike which nearly wrecked an organisation founded on a lifetime of effort to bring about unity amongst competing Unions. The attack was particularly treacherous in view of the fact that the policy arrived at in connection with the particular wage negotiations at that time was carried out openly with the consent of the Docks Group, and with a clear idea of what the future policy was to be. There is no doubt that it was less an attack in the interests of the men's wages, than an attempt to destroy a Union which had been established after so much patient effort.

A General Election took place at the end of 1923 and Labour took office as a minority Government. The Union was honoured by the appointment of its President, Bro. Harry Gosling, as the first Labour Minister of Transport.

Stemming the Tide of Reaction.

The policy of awaiting a favourable opportunity, laid down by the Union in 1923, was justified by our achievements in

1924. In that year two important strikes for wage increases were sanctioned—the dockers and the London tramwaymen—and in each case victory was secured. An important clause in the settlement of the docks dispute was that which agreed to the appointment of a committee to develop and strengthen the system of registration of dock workers, and to examine the proposal for a guaranteed week. The claim for maintenance was carried another stage forward.

The success of these two strikes put new heart into the whole of the working class movement. It stemmed the tide of reaction and gave the signal for a forward movement. Interest was revived in Trade Unionism and during the year the membership of the Union increased by 65,287, the total membership at the end of 1924 standing at 372,560. Moreover, four further Unions entered the amalgamation.

Wage increases and improvements in conditions were secured for the members in a large number of trades. Commenting on the year's work in this connection, the Annual Report for 1924 says:—

“The gains obtained for our members during 1924 based on the weekly income and without incorporating the value of improved conditions, amounted to a sum approximating £4,500,000.”

A development of great importance to tramway workers was the decision of the National Joint Industrial Council to submit matters on which agreement could not be reached to a tribunal appointed by the Council. In the summer of that year the Tribunal heard the claims of the workers' side for wage increases and proposals for the grouping of Tramway Authorities, standardisation and establishment of rates. The decision of the Tribunal, which was accepted by both sides of the N.J.I.C., classified, with certain exceptions, the Tramway Authorities into six main groups, standardised rates of motormen, conductors and certain other grades on the basis of no reduction for

any employee, and stabilised wages until December 31st, 1925. The decision also provided added rates for night work.

The Tribunal proved a valuable piece of machinery, representing as it did an earnest desire of the industry to face up to labour problems without resort to lock-outs or strikes.

In October, 1924, a General Election took place and the Tories were returned to power. Two years later as the result of their financial policy the country was plunged into the National Strike.

Consolidation.

1925 was a good year for the Union. The absence of any large disputes provided opportunities for consolidating the membership, improving administration and attending to a large number of problems affecting the membership. Registration in the docks industry made excellent progress, while in the Commercial Road Transport Group the agitation for protective legislation had been vigorously carried on. The Union's proposals were unanimously adopted at the Trades Union Congress of that year.

In the productive trades covered by the General Workers' Group increased wage rates and improved conditions were secured for a large number of members. In the flour milling industry some trouble was caused by certain employers who tried to impose conditions outside those provided for in the National Agreement. The federated firms were dealt with by the Union through the machinery of the National Joint Industrial Council, and in the case of the non-federated firms, these were successfully dealt with by strike action.

Valuable work was done during the year by the Political Department, particular attention being given to factory legislation, safety appliances, securing observance of regulations, and to the Industrial Diseases Act. Legislation was closely

watched, particularly that promoted on behalf of private companies.

Three more Unions joined the amalgamation during the year.

2. THE NATIONAL STRIKE AND AFTER.

Basic Cause of National Strike.

During 1925 the Tory Government pursued a disastrous policy of deflation. In April the Government restored the gold standard at the old ratio of 4.86 Dollars to the £. Prior to this manipulation a £ exchanged for about 4½ Dollars, so it will be seen that the effect of the change was to raise the price of our exports on the world market, but since our customers were not likely to pay at the rate of 4.86 Dollars to the £ our export trade had to stand the loss. The coal industry was very badly hit; it was estimated at the time that deflation cost coal exporters 1/- a ton.

Employers engaged in producing goods for export endeavoured to recover their losses by cutting wages, and among the first to be attacked were the miners. Now the miners had already been driven down to pre-war levels and it was felt by their organisation and by the rest of the Trade Union Movement, that the owners should seek other measures to meet the difficulties created by the deflationary policy of the Government.

The Union's Part.

In the National Strike of May 1926, which followed the breakdown of negotiations, the Union was involved to the extent of 353,000 members.

The Union loyally carried out every request that was made upon it. At Central Office, Officers and Staff worked night and day from the beginning to the end of the strike. It was a great test for the Union, and although it left us badly hit

financially and with the difficult task of re-establishing the agreements that had been broken, it proved that, although its machinery had not been devised with a view to large-scale strike action, it could be readily adapted to that purpose, and relied upon to work with smoothness and precision.

Trade Disputes Act.

Trade depression with its attendant evils, short time and unemployment, created many difficulties for the Union during 1927. The poverty of the workers in some of the trades covered by the Union was described in the Annual Report of that year as "appalling." A feeling of despondency and apathy developed, but this was to a large extent overcome by a spirited campaign conducted by the Union.

During the year the Tory Government sought to cripple the Trade Union Movement by passing the Trade Disputes and Trade Unions Act.

The Union played a great part in the nation-wide campaign organised by the Trades Union Congress and the Labour Party against the Bill. As a result of the pressure brought to bear the Government, despite its huge majority, were compelled to make some modifications in their vicious measure, and although the Act in operation creates many difficulties for the Movement, it has not had the effect industrially, which the governing class at the time thought and hoped it would. On the other hand, its effects on the political action of the Unions and on the financial position of the Labour Party have been very serious indeed.

Despite the depressed state of industry wage increases and improved conditions were secured in a number of trades. The year ended with the leaders of the Government promising a revival in trade, but it did not materialise; 1928 was no better than 1927; in many cases in fact the position was aggravated by the growth of mechanisation in industry and further de-

velopment in mass-production. These created great problems for the Officers when negotiating the claims of the membership. "Wage negotiations," says the Annual Report of 1928, "are taking on a much more scientific form, compelling a closer examination of the facts relating to the industry and a consequent development of research and investigation."

The Union met this problem by re-organising its information and Statistical Department and making provision for a well-equipped Research Department. This Department, latterly extended to cover political, international and educational, has rendered invaluable service, not only to the Union, but to the Movement generally.

3. ROAD TRANSPORT WORKERS.

Royal Commission.

Transport problems loomed large during 1928, and following a debate in Parliament in which the Union's point of view was expressed, the Government set up a Royal Commission. The terms of reference were:

"To take into consideration the problems arising out of the growth of road traffic and, with a view to securing the employment of the available means of transport in Great Britain (including transport by sea, coastwise and by ferries) to the greatest public advantage, to consider and report what measures, if any, should be adopted for their better regulation and control, and, so far as is desirable in the public interest, to promote their co-ordinated working and development."

A Memorandum of Evidence was submitted by the Union, and supported by oral evidence.

The Memorandum called for the operation under Public Ownership of the essential transport services. It proposed the appointment of properly qualified Traffic Commissioners, operating under the supervision of the Minister of Transport, and assisted by National and Regional Traffic Advisory Boards. Power to grant licences for the vehicles of operators, both pas-

senger and goods, should be vested in the Regional Transport Commissioners, acting on the advice of the Boards.

Registration was proposed for all road transport carriers of goods, except those carrying their own merchandise. It was strongly urged that all owners of vehicles should be compelled to insure against third party and other risks, the business of insurance to be undertaken by the State.

The Registration Scheme submitted by the Union provided for inspection and maintenance of vehicles in a satisfactory condition; limitation of hours of drivers, and for rest periods, physical fitness and efficiency of drivers, and the passing of a driving test for new entrants.

On the passenger services side the Union proposed that powers should be given to the Commissioners to promote the unification of undertakings, to make provision for the pooling of receipts where necessary in the public interests; to limit the return on capital; to effect compulsory amalgamations where necessary in the public interest; to control the issue of road service licences, and to attach conditions to licences regarding:

- (a) Adequacy of service;
- (b) Standard of the vehicle and efficient equipment;
- (c) Scale of fares;
- (d) Observance of regulations as to the maximum hours of labour and spreadovers, and the minimum period of rest between duties;
- (e) Depositing of schedules and the provision of common time-tables;
- (f) Compulsory third party insurance.

It condemned the issue of licences to drivers and conductors under the age of 21, and called for a definite limit to the number of standing passengers.

Road Traffic Acts.

Arising out of the reports of the Royal Commission, the Road Traffic Act was passed in 1930, and the Road and Rail Traffic Act in 1933.

Space does not permit a summary of these Acts, but important clauses of the 1930 Act are 19 and 93. Clause 19 limits the hours of driving, in the interests of public safety, and Clause 93 lays down that fair wages must be paid. These clauses are amended by Sections 31 and 32, respectively, of the Road and Rail Traffic Act, 1933.

Part I of the 1933 Act provides for the licencing and regulation of goods vehicles. Licences were classified as "A" Public Carriers; "B" Limited Carriers; and "C" Private Carriers. Among the conditions attached to the licences are that the vehicles shall be maintained in a serviceable condition; that the hours clause of the Act shall be observed; that records shall be kept of driving times and intervals of rest; and that in the case of "A" and "B" licence holders, fair wages shall be paid.

The country was divided into areas and a Traffic Commissioner appointed for each. The Commissioners are the licencing authorities, and have power to grant or revoke licences, and to hold such inquiries in public or private as they think fit.

Part 2 of the Act relates to railways, ports, harbours, docks, canals and coastwise shipping.

Part 3 gives the Minister power to appoint a Transport Advisory Council to advise and assist him in dealing with transport problems.

These Acts, while they did not give the Union all it had fought for before the Royal Commission, did at any rate provide machinery of a sort which, as our road transport members know, has been used to the fullest advantage by the Union. Under Clause 93 of the 1930 Act, several road transport passenger firms have been taken to the Industrial Court, when efforts to reach agreement by collective bargaining have failed, and, although in a number of cases our Officers have been opposed by Counsel engaged by the employers, the case for fair wages has been established.

The hours clause has been of great benefit to drivers and has made a great contribution to public safety.

Road Haulage Wages Act.

On the road transport commercial side, the National Joint Conciliation Board for the Road Motor Transport Industry (Goods), the Baillie Committee of Inquiry, and the Road Haulage Wages Act were the direct results of the political work of the Union.

The full story cannot be told here, but no one who knows the history of the long fight for standard conditions in this industry will deny that the bulk of the credit for all that has been won belongs to the Transport and General Workers' Union.

London Transport.

A measure of vital importance to the Union was the London Traffic Act of 1924. The Union secured two representatives on the Advisory Committee set up under the Act, and this representation has been of great value to London transport workers.

In July, 1933, the London Passenger Transport Act became law. This Act, which co-ordinated the whole of the London passenger transport services, created great problems for the Union which represented nearly 70 per cent of the workers employed. The agreements covering the wages and conditions of the men had to be preserved and employment safeguarded. These problems were thrashed out in negotiations and satisfactory agreements were reached, which provided in many cases improvements in wages and conditions.

4. DOCK WORKERS.

Regulations.

A revision of the docks regulations was secured in 1924, although on account of so many objections by the employers it

did not become operative until February, 1925. The dockers do not need to be told the value of this great reform, the credit for which is entirely due to the Union. Subsequently joint committees were set up in a large number of ports with a view to securing proper observance of these regulations.

For many years the Union played its part in the fight for international docks regulations as well. The safety of the dockers has always been a great problem for the Union, and in all its struggles it had to contend with the old argument of "conditions abroad." In 1928 industrial accidents was one of the subjects on the agenda of the conference of the International Labour Office. The Union was represented at the conference by the General Secretary, and he put up a great fight for an international convention to secure the maximum of safety for dockers. He was met with bitter opposition from the British Government delegate, and also from the employers, who indulged in a lightning strike, but before the end of the conference Bro. Bevin got a report adopted which laid the basis for a convention.

In 1929 a convention was adopted, and in 1934, following a number of meetings between the Union and representatives of the Shipowners, Dock Authorities and the other interests concerned, the British Government agreed that it should be applied to the British Docks Regulations. In an article published in the May, 1932, issue of the "Record," the General Secretary deals with the Union's part in the struggle.

Registration.

Registration schemes play a great part in protecting the livelihood of our docks membership. Following the amalgamation the number of these schemes was considerably increased.

In May, 1931, the Maclean Committee on Port Labour, on which the Union was represented, issued its report on the em-

ployment of port workers and the administration of the unemployment insurance scheme.

The Committee urged as a matter of vital public interest that "everything possible should be done to render the port transport industry a means of regular livelihood for a properly established body of workers."

Arising out of the Committee's report, a Standing Advisory Committee, representative of the Union and the employers, was appointed by the National Joint Council for Dock Labour.

The objects of the Committee are:—

- (1) The establishment and development of joint registration schemes in all ports.
- (2) The systematic and regular revision of registers and arrangements for regular consideration of employment records.
- (3) Provision for the recruitment of labour.
- (4) The establishment of uniform methods of compiling statistics from all ports, and the collection of information showing accurately the progress of decasualisation in the industry as a whole. Representations to the Ministry of Labour, with the object of securing accurate official labour statistics relating to the industry.
- (5) The establishment and development of systems of central or surplus stands or other means of securing the best use of available registered labour in all ports, in accordance with local needs.
- (6) Detailed observations of the operation of schemes with the object of making local experience available for general use.

Since its inception, the Standing Advisory Committee has rendered great service to the docks industry by improving existing registration schemes and assisting local committees to establish schemes. The work of the Committee involved a

tremendous amount of investigation, and towards this the Union has made the greatest possible contribution. Wherever registration schemes have been established they have proved a great boon to the men.

5. OTHER SECTIONS.

Flour Millers.

National Joint Industrial Council machinery is used by the Union not only to deal with the problems of wages and hours; the question of safety is often raised, and in 1927 the National Joint Industrial Council for the Flour Milling Industry agreed to the appointment of a Factory Legislation Committee. The following extract from the Union's Annual Report for 1928 speaks for itself:—

“The recommendations of the Committee have had the effect of securing a more regular and uniform adoption of safety appliances and safeguards to machines.”

In 1930, the Pension Scheme, which is now in operation, was drafted.

One of the greatest achievements of the Union is the 1937 agreement which provides, in addition to reduced hours for shift workers and day workers, a guarantee that, in the event of the mill closing down temporarily, such as, for example, through over-production, the men shall be paid full wages less unemployment benefit. By this agreement security of income was secured for the men for the first time in any productive industry. It marks an epoch in the history of collective bargaining between capital and labour. The agreement was fully summarised in the “Record” for April, 1937.

Fishermen.

The Union's fight for the men who risk their lives daily in the service of the public extends over many years. As the

result of its vigorous agitation a Committee of Inquiry was set up in 1931, and the Union's evidence on wages and general conditions startled the whole of the country. Our Memorandum of Evidence was published in the "Record" for March, 1931.

In January, 1934, a Commission was appointed and the Union submitted constructive proposals, backed up by oral evidence, covering marketing, landing and storage, treatment of fish, settling sheets, remuneration and conditions of service of the men. This evidence was given in January, 1935, and is summarised in the February issue of the "Record" for that year.

The Sea Fish Industry Act, 1938, is the outcome of the recommendations of the Commission. As the result of the work of the Union's M.Ps. many improvements of benefit to fishermen were incorporated in the Act. Part 4, which relates to remuneration, inspection of accounts and signing on of crews, meets to some extent the representations made by the Union for the last seven years. A notable concession secured during the passage of the Act was that the interests of fishermen should be represented on the White Fish Industry Joint Council.

By continuous pressure on the Government, the Union brought to an end in 1936, the scandal of inadequate safety appliances on fishing vessels. A new Merchant Shipping Act was passed which gives the Board of Trade powers to make the necessary regulations.

Seamen.

It is appropriate here to refer to the Union's fight on behalf of merchant seamen. From its inception the Union has been associated with the Seamen's Union in every effort to secure proper hours, wages and conditions for the men of the mercantile marine.

The Trade Union Parliamentary Committee which was set up by the two Unions to watch the interests of the seamen, has rendered invaluable service. Its fight to secure public inquiries into the losses of several vessels which foundered in the North Atlantic in the winter of 1934 is an epic in the history of Trade Unionism.

The Committee searched the ports for men who had served on those vessels, collected their evidence relating to the gear and general sea-worthiness of the ships and built up one of the most damning indictments in the history of merchant shipping. Led by Bro. Arthur Greenwood, M.P., who is a member of the Union, the Parliamentary Labour Party forced the Government, despite its great majority, to give time for a major debate on the whole question. The frightful conditions revealed by our M.Ps. stirred the whole of the country; the Board of Trade bowed to the storm and agreed to hold public inquiries.

Inquiries into the losses of the "Ulsworth," the "Blairgowrie" and the "La Crescenta" were held in 1935, and were fully reported in the June, July and November issues of the "Record" for that year.

The Joint Committee also forced the Board of Trade to hold inquiries into the losses of several self-trimming colliers, and in each case the findings of the Court justified the action taken. At the inquiry into the loss of the "Pendennis" the Wreck Commissioner strongly criticised vessels of the self-trimming class (see the "Record" for July, 1936).

The Union has also assisted the seamen in their fight internationally. Our General Secretary attended the Preparatory Maritime of the International Labour Organisation held at Geneva in November, 1935, and as the result of his vigorous advocacy Conventions were carried on:—

- (1) Hours of work and manning.
- (2) Professional capacity for officers.

- (3) Holidays with pay.
- (4) Shipowners' liability in cases of sickness.
- (5) Sickness insurance for seamen.
- (6) Minimum age for employment at sea.

The Seamen's Charter, as it was called, and the Maritime Conference were fully dealt with by the "Record" for December, 1935.

The Union is also represented on the Merchant Shipping Advisory Committee of the Board of Trade, and in 1937 reforms were recommended relating to manning, definition of "efficient" deckhand, and accommodations for crews. When these reforms have been fully established, the "slums of the sea" will have gone forever.

6. THE CRISIS OF 1931.

The Macmillan Report.

When Labour took office for the second time in 1929 the country was still suffering from the deflationary policy of the Tories. Unemployment was approaching the 2,000,000 mark, the wholesale price level had collapsed, but the Bank Rate was 6 per cent, and the country still remained tied to the Gold Standard. In addition, the people were getting scared at the allegation of the economists that the world supply of gold was running out.

The Labour Government (and we say this out of no disrespect) hesitated at standing up to that holy of holies—the Bank of England—and reversing the policy of the Tories. This was understandable; the relationship between finance and industry was not so well understood as it ought to have been. Indeed, it was said of the late Mr. Ramsay Macdonald that he found it very difficult to see in the restoration of the Gold Standard in 1925 the basic cause of the miners' lock-out and the national strike in 1926. At the Labour Party Congress in 1931, the

late Philip Snowden gave an address on the working of the Gold Standard and the operations of the Bank of England, and in the course of his speech he said, "I suppose all this is about as clear as mud!" Probably it was.

But it is to the credit of the Labour Government that it did do something to lift the veil from the "mysteries of finance," and in setting up the Macmillan Committee of Inquiry it rendered a great public service. The recommendations of this Committee were fully summarised in the "Record" for August, 1931, and the reservations by Bro. Bevin and Sir T. Allen were also published.

We are reminded that when our General Secretary was appointed to the Committee he was told by some people that he would find finance a mystery too profound for the layman to understand. He had not been on the Committee long before he declared with characteristic candour that he did not find it a mystery, he found it a ramp!

In their reservations, Bro. Bevin and Sir T. Allen strongly condemned the private ownership of the Bank of England. The Bank should be controlled by a Public Corporation, free from political influences, and machinery created for the financing of industry.

The "National" Government.

Before the ink was dry on the Macmillan Report, the Labour Government was smashed, and a "National" Government with a policy designed to make the workers pay for the blunders of the Bankers was set up. The Bankers, as feared by the Macmillan Committee, had in fact been gambling beyond their means, and in savage cuts in unemployment benefits, the social services and wages, the workers had to pay. The crisis and what it meant to the workers was fully dealt with in the September, 1931, issue of the "Record."

The fall of the Labour Government was a great blow to the

Union. It had many plans in view for economic reconstruction, and also for the better utilisation of the land, such as the development of fruit farming which would have been of great benefit to our members in the fruit preserving trades, and also to our people in the tinplate industry.

Farm workers would also have benefited; there were signs of a Trade Union revival in the countryside, which was further stimulated by the Union's drive for the abolition of tied cottages, general improvement in conditions and holidays with pay.

The "National" Government destroyed all this effort. The Union, together with the rest of the Trade Union Movement, was thrown on the defensive. Attacks on wages and conditions had to be strenuously resisted. In every instance the fight put up by the Union compelled the employers to modify their demands, and it stands to the eternal credit of the organisation that while in some trades ground had to be given on wages, it came through that most difficult year of its history with conditions maintained, an increase in membership, improved financial standing, and wages actually increased on a number of passenger carrying undertakings.

IV. THE UNION TO-DAY

GROWTH OF THE UNION.

In 1922 the Transport and General Workers' Union started as an amalgamation of 14 Unions. By the end of 1927, 26 Unions were in the amalgamation, and during 1928 negotiations took place with the Workers' Union which led to a scheme being agreed upon and which, when submitted to ballot, was accepted by an overwhelming majority.

The fusion took place in 1929. It was a great event in our history; it meant not only a considerable increase in membership, but the elimination of competition amongst organisers in

the general workers' trades and a great saving in expenditure. Certain organisational changes were necessary as the result of the fusion and these were put into operation following their acceptance by the Biennial Delegate Conference of 1931.

In May, 1938, the organisation comprised 37 Unions, representing a membership of over 655,000 and with representation on 79 wage negotiating bodies.

Up to the end of 1937, it had paid out in cash benefits a total of £5,171,146, and had recovered for injured members £2,710,526 in compensation.

To try to assess in monetary terms the value of the improvements it has secured in wages, conditions and health of the members would be impossible. It would run into astronomical figures.

TRANSPORT HOUSE.

In June, 1926, Transport House, Smith Square, Westminster, the new Central Offices which the Union had built, was ready for occupation. The transference of the administration from No. 3, Central Buildings, Westminster, was carried through smoothly. A magnificent building which members from the Provinces never fail to visit when in London, it is also the headquarters of the Trades Union Congress, the Labour Party and Workers' Travel Association. It is a Trade Union and Labour centre which is known all over the world, and represents a great achievement in the history of the Union.

THE UNION AND LABOUR MOVEMENT.

With the consummation of the amalgamation it was found there were a number of Unions who had either only just decided to take part in the life of the political Labour Movement or who had not even taken the ballot. Some were affiliated to the Trades Union Congress, others were not, whilst in different

parts of the country the method of affiliation to the local Trades Councils and Labour Parties was very chaotic.

By virtue of taking part in the amalgamation ballot, however, with its political section attached, the problem of the political levy was solved in so far as the amalgamating Unions were concerned. They were all brought into association with the Labour Party by this one act of amalgamation. Since that time, every other Union which was amalgamated with us has, likewise, by virtue of such amalgamation become definitely attached to the Labour Party and the Trades Union Congress.

So as far as Trades Councils and local Labour Parties are concerned, a plan was devised and introduced in the early days of the amalgamation, whereby a portion of the members' contribution is returned to the Areas to cover local affiliations, the controlling authorities being the Area Committees. This unified method of linking up with the Labour Party and Trades Union Congress throughout the country gave the Union a new place of power and influence.

It was also decided to link up with the International Labour Movement and having regard to the number of members the Union represented, the Trade Secretaries with which it was associated, and its affiliation through the Trades Union Congress to the International Transport Workers' Federation, the Union soon became an important branch of the International Trade Union Movement.

The Research and Parliamentary Departments of the Union were set up with a two-fold purpose. First, to serve the Union direct in matters upon which information or political support is required; and secondly, to render all the assistance and support possible to the bodies with which we are associated. The result of this staff work has meant that the Union has been able, in all branches of the Labour Movement, to make a very large contribution towards the shaping of its policy and in the carrying out of its practical work, recognising that the Labour Party

and the Trades Union Congress has passed through the purely agitational stage to one of understanding and responsibility.

With a view to assisting them in their work, the Union places at the disposal of its Members of Parliament all the information coming within the Union's ambit, together with such clerical and other assistance as is necessary to enable them to carry out their Parliamentary duties. When the Party itself is engaged in promoting measures in which we are interested, the Union always contributes its quota of information and rallies to the support of the Party.

The Union is always in the forefront in making its full contribution when the Trades Union Congress is engaged in research in connection with Commissions, supplying evidence, or in the promotion of changes affecting the laws or the well-being of the people.

On the legal side, it was soon realised what an important work a well organised department could carry out, particularly having regard to the growth of Social Legislation and the various other matters affecting our great industries which are dealt with by Parliament. It was felt that with centralised service, manned by persons who had received their training within the Union, it would be possible to obtain for our people the maximum obtainable under the respective laws. Working in conjunction, the Legal, Political and Research Departments have proved to be a valuable asset under this head.

THE UNION'S PLACE IN THE STATE.

With the passing of the years the Union has grown in power, prestige and influence. Pronouncements on its behalf by its representatives at the Trades Union Congress, Labour Party Conferences, and at our own Biennial Delegate Conferences, attracted the attention not only of the organised workers, but of the Government and bodies representative of all shades of opinion. What a change in outlook! Fifty years ago semi-

skilled and unskilled workers were regarded with contempt by the Craftsmen's Unions, and all efforts to organise them were sneered at and, in some cases, opposed; to-day through the machinery of the Transport and General Workers' Union they are in the van of the Movement.

One of the first effects of the amalgamation was to enable the new Union to undertake a great deal of the work hitherto carried out by the Trades Union Congress on behalf of the individual Unions by means of Deputations, etc. This left the Trades Union Congress free to grapple with bigger problems, while the Union was able to carve out for itself a position of importance in the affairs of the State.

Shortly after the amalgamation, when the new Union had taken over its heavy responsibilities, a noticeable change occurred in the attitude of the various Government Departments towards it. For instance, in transport, the Union represents the very life blood of the nation, and whilst we must never abuse power, this power was extremely vital. It also has a grip upon many of the most important productive trades in the country, and from then onwards it has been called upon to pronounce its opinion on practically every matter affecting industrial re-organisation.

At that time the Government, by means of Acts of Parliament, was carrying out considerable measures of re-organisation affecting many of the great sections we represent, and in all these we left our mark upon the legislation ultimately carried through.

It can also be said that many of the orders and other arrangements existing for the safety of workpeople, which have been incorporated in the Factory Acts, found their genesis through the Unions.

Similarly, in the larger matters of State policy, affecting both national and international affairs, the Union plays an important part.

THE RESULTS OF CEASELESS EFFORT.

We have had to omit from our short historical survey an enormous amount which we should have liked to include.

We have said nothing about the great fight to organise provincial bus workers and to establish for them national wage negotiating machinery. As a result of the efforts of the Union they are now enjoying a national agreement.

We have not been able to refer to the long struggle, the end of which is now in sight, to secure payment for wet time in the building trade. We have omitted all reference to the titanic struggles put up from time to time by our representatives on Joint Industrial Councils, Conciliation Boards and Trade Boards covering the workers employed in the productive industries. Our space is limited. We can only ask the reader to try to realise that behind every bald announcement in the Press that an improvement has been secured for this or that body of workers, there is a great human story of a tremendous struggle between conflicting interests.

Behind the closed doors of the negotiating chamber the most moving acts in the historic drama of Capital and Labour are played out. The strike is not always the first, and never is the last act in the struggle of the workers for their fair share of the benefits of progress. Not a penny on the wage, nor a minute off the day has been secured without effort, which has involved our Officers in an enormous amount of study and research work in order to build up an unanswerable case.

To be successful under modern conditions a Trade Union can never rest. Every day brings its problems—and there is no time to lose. Officers and active members who are continuously striving for fewer working hours for others often lament the rapid passing of the time. Their problem is not solved until the fight is won, and when one fight is over another begins. In our Movement it is inevitable. The Trade Union Move-

ment itself is the organised expression of the struggle between Capital and Labour—a struggle which can never end until the system of private ownership of the means of wealth production has been abolished and a Social Order established based upon the Public Control of all things necessary for the economic well-being of the community.

That is the ultimate object of the Movement in which this Union has played a great part since its formation.

Building on the foundations laid by the pioneers of our Movement, we have constructed machinery which, if wisely used, will enable the workers to make great strides towards their emancipation. We ask all members to study this machinery and use it well, confident that if they do they will play a great part not only in solving the economic problems of the workers but in bringing more real happiness into their lives.

6.

INDUSTRIAL ORGANISATION: THE ARRANGEMENTS FOR NEGOTIATIONS BETWEEN EMPLOYERS AND OPERATIVES IN THE BOOT AND SHOE MANUFACTURING INDUSTRY OF GREAT BRITAIN

By G. R. COLVIN,

Secretary, The Incorporated Federated Associations of Boot and Shoe Manufacturers of Great Britain and Ireland

GENERAL SURVEY OF SIZE AND LOCATION OF INDUSTRY

THE manufacture of boots and shoes (except wholly rubber) in Great Britain is conducted by about 750 firms, employing about 115,000 workpeople. The size of firms varies. The largest employs about 5,000 operatives; the bulk of production is by firms employing 200 to 400 operatives. The industry produces approximately 138,000,000 pairs of all kinds of footwear (except wholly rubber) per annum of a total gross value of approximately £38,000,000 per annum.

Boot and shoe factories are located in many parts of the country, important centres being Edinburgh, Glasgow, Maybole (Ayrshire), Kilmarnock (Ayrshire), Kendal, Lancashire, Leeds, Leicester and the County of Leicestershire, the town of Northampton and the County of Northamptonshire, Stafford, Norwich, Bristol, Street (Somerset) and London. At least half the industry is, however, centred in an area not more than

60 miles long by 30 miles broad in the Counties of Leicestershire and Northamptonshire, including the City of Leicester and the town of Northampton.

Certain types of production have traditionally been associated with certain centres, for example, ladies' shoes with Leicester, men's shoes with Northampton, men's heavy boots with Bristol and Leeds, ladies' welted shoes with Stafford and turnshoes with Norwich. The traditional association of certain types of production with certain centres has not been without its effect upon the industrial organisation of the boot and shoe industry; these distinctions are now, however, tending to become obscure.

THE FORMATION OF THE LOCAL AND NATIONAL ORGANISATIONS OF EMPLOYERS AND OPERATIVES

In 1880, the boot and shoe manufacturing industry was still largely a homework industry. The following twenty or thirty years saw the transformation of the industry into a factory industry, a transformation made possible by the increasing mechanisation of the methods of manufacture. This striking change in the structure of the industry affected the relations between employers and operatives. The change coincided with the culminating phase of the 19th Century Trade Union movement in Great Britain, following the Trade Union Acts of 1871, '75 and '76, which improved the legal status of the Trade Unions. In the development of that movement boot and shoe operatives have played a by no means unimportant part.

Combination by workpeople was countered by combination by employers. The movement towards organisation among both employers and workers was due to the general social and economic forces of the time, operating similarly in nearly all

industries in Great Britain, reinforced by causes arising from the transitional state of the boot and shoe industry and individual to this industry.

By the operatives, the National Union of Boot and Shoe Operatives was established in February, 1874, and arose from an older Union, the Amalgamated Boot and Shoe Union. At first the Union organisation was mainly upon a basis of separate organisations for the various districts. It is now a strongly centralised body with headquarters in London, with a membership of about 87,000 operatives (76% of the total), with policy decided through its Executive Committee and controlling its members through its branches and branch officers. In common with most British Trade Unions, the National Union of Boot and Shoe Operatives fulfills the functions of a friendly society, administering for its members not merely its own sick and out-of-work funds but the National Health Insurance and Unemployment Insurance schemes, under the arrangements laid down by the various Acts of Parliament. The Union's funds exceed £500,000. The Union is by no means an unstable part of the structure of the industry.

By the employers, combination for mutual protection against what was then regarded as the aggressive policy of the operatives began in the various centres of manufacture in the 1870's and '80's. In 1891, the Local Associations of manufacturers formed a federated body, the Federated Associations of Boot and Shoe Manufacturers, which was incorporated as a company limited by guarantee under the English company law in 1898. Almost the whole work of the Federation at first was to combat the claims put forward by the Trade Union, steadily gaining in strength, for increases of wages. Later, and particularly during the past twenty years, the Federation has undertaken the functions of a Trade Association, dealing with trade, legislative, industrial, transport, educational and other matters of common interest to its Local Associations and their member

firms. The firms represented in the Federation account for approximately 70% of production.

THE GENESIS OF THE PRESENT METHODS OF LABOUR NEGOTIATION

The position at the beginning of the 1890's was that the Local Associations of manufacturers were in process of federating; the local branches of the Union were gradually being welded into a national body; there was local contact between manufacturers and operatives through Local Boards of Arbitration which did not function uniformly or with equal success. A period of struggle, with desultory strikes by the operatives and spasmodic lock-outs by the manufacturers led to an upheaval and an entire stoppage of work for six weeks in 1895. This ended in the parties being brought together in a National Conference through the good offices of the (Government) Board of Trade.

The lesson had been learned by both sides: arrangements were made to enable labour matters to be the subject of negotiation, conciliation and arbitration instead of being allowed to drift into strife and bitterness. These arrangements have worked with little change since they were made 43 years ago. Since that time there has been no serious labour trouble in the industry.

THE METHOD OF LABOUR NEGOTIATION

The National Conference of 1895 achieved triple results:—

- (a) It settled the actual dispute it was called to settle and extended the settlement of the actual dispute to make Terms of Settlement to cover all disputes.
- (b) It became the prototype of a series of National Conferences deciding the general conditions of employment in the industry.
- (c) It put into working order the Local Boards of Arbitration and Conciliation.

These various results are considered consecutively.

THE TERMS OF SETTLEMENT

The settlement of the long-dead dispute is now of no interest but the extended Terms of Settlement of which that settlement formed part are fundamental. The Terms of Settlement are comprised in a series of ten Resolutions, of which some refer only to the dispute. The vital general Resolutions provide that

There shall be no strike or lock-out by operatives or manufacturers.

A breach by a federated firm or by an operative of the Terms of Settlement or of any Agreement entered into between the National Union and the Federation or of any Arbitration Award arrived at jointly shall be deemed to be a breach by the Manufacturers' Federation or by the Operatives' Union, unless the organisation concerned expels its offending member.

To secure the due observance of the Terms of Settlement and of all Agreements and Awards, the Federation and the Union should give financial guarantees.

To give effect to the last provision a Trust Deed was entered into between the Federation and the National Union, by which each deposited £1,000 with Trustees as a guarantee to ensure the due observance of the Terms of Settlement and of all future Awards and Agreements. If either the Federation or the Union violate the Terms of Settlement or Awards and Agreements, the side aggrieved may claim upon the fund for damages. Claims are heard before the National Umpire of the industry (a post which relates solely to these arrangements and has no other significance), who is appointed by the Federation and the Union in accordance with the Trust Deed.

The boot and shoe industry has been extremely fortunate in securing successively as its National Umpires during the past 43 years the

LORDS JUSTICES OF APPEAL

Lord James of Hereford

Lord Buckmaster

and the

LORD CHANCELLOR (1929-1931)

Viscount Sankey of Moreton

Claims have been few. Damages have been relatively light and have been awarded against both Federation and Union. It is a point of honour by both sides to maintain the Guarantee Fund intact. Compared to the amount at issue in a dispute which might affect a national wage bill for the industry amounting to £12,000,000 or £13,000,000 per year, the stake of £1,000 is insignificant. But it is not the amount of money that counts; what counts is the moral effect of knowing that breach of an Agreement will be judged not according to the economic or political strength of the parties but according to the merits of the case.

THE NATIONAL CONFERENCE AGREEMENT

When the Terms of Settlement were reached in 1895, there were no national minimum wage rates and no uniform hours of labour or conditions of employment. Each Local Board fixed its own minimum wages, hours and conditions. A need for national uniformity in some of the matters dealt with by the Local Boards began to be felt. To meet this need, further National Conferences, on the lines of the 1895 conference, have been called from time to time on the proposal of the Federation or the Union. The most recent National Conference was held in November, 1937, and lasted two and a half days.

National Conferences are attended by representatives of the Federation and the Union, about 15 to 20 on each side. The Chairman of the Conference is appointed by the Minister of

Labour under the Conciliation Act, 1896, after consultation and agreement with the Federation and Union. The post is a paid one, the Ministry of Labour meeting the fees in accordance with the recognised Treasury scale, the Federation and Union meeting the balance jointly.

Each National Conference normally draws up a National Conference Agreement which remains in force until superseded by another. Recent National Conference Agreements have fixed

Minimum Daywork Wage Rates for Adults
 Graduated Scale Rates for Juveniles
 Conditions of Employment
 Hours of Labour

and have formulated a

Holiday Provision Scheme.

An example of a provision of the National Conference Agreement is the following:—

CLASSIFICATION OF FEMALE LABOUR.

It is undesirable that females should be employed amongst male operatives in the Clicking, Press, Lasting and Finishing Departments in which male labour is now almost exclusively employed. Where females are so employed, they shall receive the wage rates appropriate to males when doing similar work.

Nothing in this clause shall prevent employers having specified operations done by female labour at female rates in connection with the Clicking or Press Departments under separate working conditions provided that such operations have been defined by the Local Arbitration Boards for their respective districts.

This clause shows the laying down by the National Conference of a GENERAL provision on a basis of national uniformity, its DETAILED application being left to the Local Boards of Arbitration and Conciliation referred to in the next section.

The terms and conditions laid down by the National Conference Agreements must be adopted by all federated firms and by the Union, and are, in fact, adopted by some non-federated firms as well.

The Agreement provides for two joint committees of representatives of the Federation and the Union; one to secure, as far as lies in its power, the observance of National Conference Agreement terms and conditions in all factories, whether federated or non-federated; the other to decide questions of interpretation of the Agreement.

THE LOCAL BOARDS OF ARBITRATION AND CONCILIATION

Locally the industry is governed by Boards of Arbitration and Conciliation, which have full power over questions affecting labour in their various areas, except such questions as have been decided upon a nationally uniform basis under the National Conference Agreement. They derive from the Resolutions of the Terms of Settlement of 1895, which reconstituted them. Certain matters are explicitly reserved to the control of the individual manufacturers in their own factories, for example:—

No Board shall interfere with the right of an employer to make reasonable regulations for time-keeping and the preservation of order in his factory or workshop.

No Board shall put restrictions on the introduction of machinery or the output therefrom, or on the adoption of day or piecework wages by an employer. . . .

No question referred to in the above sub-sections shall be made a matter of dispute by the Union.

Payment by results is an established custom in the Boot and Shoe Industry in Great Britain, and one of the most important duties of the Local Boards is the preparation and revision of

Piecework Statements. Styles and fashions in the Boot and Shoe Trade change with great rapidity and the task of maintaining the Piecework Statements up-to-date involves a great deal of work, particularly at the commencement of a season. This work is usually delegated by the Board to departmental Joint Committees, consisting of representatives from the Employers' Federation and the Operatives' Union, who are experts in their particular departments.

The National Conference Agreement lays down Minimum Wage Rates and requires that the earning capacity of an average operative, taking into account conditions actually existing in the factories in the district and reckoned on the district piecework statements for the operation and grade of work must be 25% above those Minimum Wage Rates. Piecework Statements are, therefore, fixed so as to yield the average operative 25% above minimum daywork wages, for the work done.

In case of dispute between an employer and his workmen, procedure is as follows:—

- (a) The workman first brings the matter before the employer or foreman.
- (b) If they do not agree, representatives of the workmen's Union and of the Employers, shall endeavour to settle the matter.
- (c) If these representatives are unable to agree, the Committee of Enquiry of the Local Board shall be called together.
- (d) If the Committee of Enquiry are unable to arrive at a settlement, the matter is referred to the Local Board itself, and
- (e) Failing Agreement at the Board, the question is submitted to the Arbitrators, appointed by the two sides of the Board, and, if they disagree, the matter is referred to
- (f) An Umpire, nominated either by the two sides of the Board or by the Ministry of Labour under the Industrial Courts Act, 1919, whose decision is final and binding on all parties.

Such a settlement by arbitrators or by an Umpire is known as an Award. Breach of such an Award would be dealt with in the manner provided by the Terms of Settlement described in

Section 5 above. This appears a somewhat cumbersome way of dealing with the matter, but very few questions reach the final stage, and many are settled in the very early stages.

In no case must there be a cessation of work during a dispute.

One of the rules for the working of Local Boards emphasises the general provision of the Terms of Settlement that there shall be no strikes or lock-outs, and reads as follows:—

There must be no suspension of work, either at the instigation of the employers or workmen, the main object of the Board being to prevent this. If any suspension of work takes place the Board may refuse to enquire into the matter in dispute till work is resumed; whilst the fact of its having been interrupted will be taken into account on considering the question, and in order that the complainant or complainants may not lose through waiting, any recommendation of the Committee of Enquiry shall be made to date back to the time of the complaint being sent in.

THE COST OF THE CONCILIATION AND ARBITRATION ARRANGEMENTS

The total administrative expenses of the Federation, Local Associations and Union of Operatives, probably do not exceed £50,000 per annum. The proportion of expenditure directly attributable to working the arbitration and conciliation machinery does not exceed half this sum. This figure does not allow for manufacturers' time spent voluntarily in attendance at Local or National meetings in connection with the work of arbitration and conciliation—say 4 or 5 hours per month by not more than a dozen manufacturers in each area. The gross cash expenditure to be met by the industry in working the arbitration and conciliation machinery may be estimated not to exceed the figure stated, namely £25,000 per annum, or approximately one penny or two cents per operative per week.

THE PROFIT

The gain from these arrangements far outweighs their cost. Merely on a direct comparison of the monetary cost of industrial stoppages in loss of trade, loss of sales and loss of wages, and of the monetary cost of the arbitration and conciliation arrangements, it is evident that the gain is immense. The total value of the output of the boot and shoe industry in Great Britain, as already mentioned, is £38,000,000 per annum. This sum is equivalent to about £150,000 per working day. The cost of organising the preservation of peace in the industry for a year is, therefore, less than the value of its output for 1½ working hours.

The stoppage which led to the introduction of conciliation and arbitration arrangements lasted six weeks and cost six weeks' output.

This graphic comparison ignores the non-financial gains and the increases in social and human values derived from the arrangements. Among these gains are the sense of employers and operatives being partners in a vital matter of common interest, and the feeling of operatives that labour matters are not arranged (however benevolently) over their heads by people who (however just) are judges in their own cause, being at one and the same time parties to the labour contract and arbiters of the application of its terms.

THE VOLUNTARY NATURE OF THE ARRANGEMENTS

These conciliation and arbitration arrangements have no state (National Government) backing or legislative authority behind them. They have been devised by the boot and shoe industry in an attempt to solve its own labour problems. Manufacturers are not compelled to become federated: oper-

atives are not compelled to become trade union members. In fact, most manufacturers do become federated, most operatives do become trade union members, largely owing to the pressure of the opinion of their fellows and to a general recognition that the arrangements entered into by the Federation and the Union are worthy of support and work more easily the more widely they are supported. These may be called the positive reasons in which the continued operation of the arrangements is grounded. The negative reasons are the protection which the arrangements afford both to manufacturers and operatives against arbitrary action. After 43 years' operation of the conciliation and arbitration arrangements it may be true that manufacturers who prefer to stay outside the Federation are not exposed to any real danger of strikes unless they consistently attempt to exploit labour, and that operatives who do not become trade union members do not thereby suffer reduced wages. But this state of affairs has only been brought about because the continuous and successful working of the conciliation and arbitration arrangements over this period has engendered throughout the industry a tradition of rational settlement of labour difficulties, and a recognition that the wages, terms and conditions of employment are best settled by collective bargaining between organised employers and organised labour and by standing arrangements for putting into effect the terms of the bargain.

NOTE: The vexed question whether the arrangements and agreements which have been described would be improved by being given the force of law has not been touched upon. The question has implications which extend beyond the bounds of any one industry, even though it may be necessary for each industry to solve the question in its own way. Probably in Great Britain the time is not yet ripe for any wide legislation of conciliation, arbitration and wage fixing arrangements among industries which already have well developed voluntary arrangements.

SURVEY OF INDUSTRIAL RELATIONS IN THE COTTON INDUSTRY OF GREAT BRITAIN

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THE cotton industry of Great Britain is to-day equipped with very elaborate machinery for the conduct of negotiations between employers and workers on all matters affecting their respective interests. The trade unions and employers' organisations which constitute this machinery are the result of a century of evolution and development. From the earliest days of the modern factory system, labour unions have carried on the struggle to increase their influence in the determination of the conditions of work and the rewards of the worker while, on the employers' side, organisations have been developed for the protection of the interests of capital. The course of development of these labour unions and employers' organisations has been constantly influenced by the changing economic, social and political conditions during this period, and it is necessary to gain some idea of their history in order to appreciate their importance and value to the industry, as a means towards the smooth and orderly settlement of questions affecting the interests of both parties.

The forerunners of the present labour unions were the Trade Guilds of the pre-factory age. These guilds were associations of master craftsmen formed for the purpose of protecting the interests of their particular trades. They fixed the



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selling price of the particular goods which they produced, regulated the entry of new apprentices into the craft and took measures to ensure the quality of the product. These guilds differed from the organisations of employers and workers which superseded them, in that they represented the interests of both masters and men. The apprentices and journeymen who provided the labour force of that day found that their own interests were more in harmony with, than in opposition to, the interests of their masters. They looked forward to the time when they themselves would become master-craftsmen, and so the measures taken by the guilds to protect the masters' interests were in effect a protection of the future interests of the employees.

The distinction between the interests of the masters and those of the workers began to take shape when the advantages of further division of labour within the crafts gave rise to a class of workers who specialised in one particular process in the making of the product. This sub-division of labour was only made possible by the appearance of a class of small capitalists who provided the material, paid the workers during the period of production and undertook the sale of the finished article. As the wealth and influence of these capitalist-employers increased, the possibility of the workers attaining to the position of masters became more remote and a cleavage between the interests of the wage-earner and his master became apparent. This development gave rise to combinations on both sides for the protection of their particular interests.

The introduction and development of power machinery towards the end of the eighteenth century resulted in the rapid substitution of factory production for the system of home industry which had been general until that time. It was natural that the massing together in factories of large numbers of workers all engaged at the same task, all dependent upon the wages they obtained and with little prospect of forcing them-

selves into the ranks of the employers, should encourage the rapid formation of labour unions. These first made their appearance among the cotton workers about 1792 when Cotton Spinners' Trade Clubs were formed in Lancashire.

The rapid improvement in spinning machinery and the enterprise of the Lancashire millowners in the following years had the effect of concentrating the greater part of the British cotton industry in and around Lancashire which since that time has been the centre of our cotton trade. This development was accompanied by the most bitter antagonism between the millowners and the rapidly growing trade clubs. With the quick growth of the industry, large numbers of new workers were entering into it. These, in many cases, were accepting less than the prevailing rates of wages so that varying rates of pay were in operation for the same class of work, and with regard to both wages and the prices of the product a state of anarchy prevailed. The masters who were paying the better wages found that they were undercut in the selling of their goods and in some cases they gave support to the workers in their efforts to obtain uniform wage rates. In evidence before a Parliamentary Committee it was shown that certain millowners of the town of Bolton had suggested to the workers that they should act together to leave the employment of those employers who paid below the usual rate of wages. The workers appointed delegates to a meeting where it was decided to ask for a raising of wages to the level which was being paid by the better employers. The response to this request was that the workers who held official positions in the labour unions were arrested, convicted of conspiracy and sentenced to terms of imprisonment ranging from one to two years. At the trial, the employers of the prisoners came forward and gave evidence that they had themselves requested the men to attend the meeting and that the move for uniform rates had their support.

Throughout the period of the development of our organisa-

tions for the conduct of industrial relations, the law has at times been employed to defeat the efforts of the workers and at other times to give legal effect to their demands. An Act of Parliament known as the Combinations Act was passed in 1799. This Act rendered illegal any organisation formed for the purpose of regulating wages or conditions of labour, and it was under this Act that the prosecution of the Bolton cotton workers was undertaken. But the passing of this Act did not prevent the cotton workers from pressing Parliament to enact a measure providing for the legal regulation of wages. The weavers of Lancashire sent a petition asking for such an Act and, again, a number of master manufacturers gave their support to the proposal. A separate petition to Parliament was presented by a section of the masters, in which it was stated that many of the difficulties of the industry were due to the fact that there was not any authority for the settlement of the wages question.

This request was refused by the Government of the day which gave, in place of it, an Arbitration Act. This Act provided that in all cases of dispute over wages or hours of work each party should nominate an arbitrator, and if the arbitrators could not agree, either of them could submit the points in dispute to a magistrate whose decision would be binding. This Act appears to have worked fairly well for some time, as evidence exists to show that, out of over five hundred cases which went to arbitration, only sixteen had to be referred to a magistrate. The operation of this Act broke down when certain masters who wished to evade its provision discovered that, though an arbitrator on their behalf must be appointed, the Act could not compel him to act as such. So they rendered the Act a dead letter by nominating as arbitrators people who lived in London and other distant parts of the country. The result was that cases which were listed for arbitration were

never heard by reason of the non-appearance of the employers' nominee.

Once more the weavers made an appeal to Parliament for an amended Arbitration Act, which was granted them in 1804. Under the new Act, the local magistrates had to choose the two arbitrators, one from among the masters or their managers and one from among the workpeople. This Act appears to have been a complete failure because any award made by the arbitrators and confirmed by the magistrates could be appealed again at the Quarter Sessions, and the latter court invariably upheld the appeal.

This breakdown of all legal support of wage standards was followed by a period of increasing distress among the workers in the cotton industry. During the Napoleonic War, food prices were rising while wages were falling. The report of a Parliamentary Committee shows that in 1830 the average weaver's wage would only buy one-third the quantity of provisions which the average wage of 1804 would purchase. Further attempts to obtain a law for the support of wages were made by the weavers, supported again by an important body of manufacturers. A monster petition to Parliament was sent up from the Lancashire towns. This petition pointed out that "whenever the demand for goods becomes slack many master manufacturers adopt the expedient of reducing wages, thereby compelling the petitioners, in order to obtain a livelihood, to manufacture great quantities of goods at a time when they are absolutely not wanted, and the great quantities of goods so manufactured are sacrificed in the market at low prices, to the manifest injury of the fair dealer and the great oppression of the petitioners." This petition was strongly supported by many masters and by the merchants of London. Notwithstanding the support of such diverse interests connected with the trade, Parliament refused to move in the matter and the workers, realising that there was no further hope in political action,

turned to the strike as a means of enforcing their demands. Throughout the Lancashire towns, one strike after another broke out, but whether any benefit was gained in this way appears to be very doubtful. Trade was bad and the poverty of the workers compelled them to return to work at very little, if any, advance of their wage rates.

The next attempt by the weavers to protect their position was a proposal to the masters to limit the production of cloth during the bad time, rather than to reduce wages. The weavers of Blackburn issued a statement saying: "The whole body of weavers in this town has come to a determination not to submit to a reduction of prices but will rather be limited in the quantity of their work and will, in conjunction with their masters, bear every privation for a few weeks or months until a change takes place in the markets." This suggestion to reduce the output when markets were overstocked, with a view to preventing prices from falling below a certain minimum, was the forerunner of the policy of organised short-time which is today the method recognised by both employers and operatives for adjusting output to demand during periods of slack trade. Opinion at that time was not prepared to adopt any such organised effort to maintain prices by the restriction of production, with the result that the conditions of the trade rapidly deteriorated and the position of the operatives became desperate.

Driven by the poverty of their condition, the weavers made one more effort to obtain a legal regulation of their wages. It had been discovered that, under some old Acts of Parliament of Queen Elizabeth's time, magistrates were authorised to fix the wages of labourers and other workers. The weavers, therefore, took action under these forgotten statutes and, as the law stood, it appeared that their demand for a legal minimum wage would have to be satisfied. At this point the Government took a hand in the matter by bringing into Parliament a Bill for the repeal of the Acts in question. This repealing Bill was

promptly passed by Parliament and the weavers were left without any recourse for the protection of their wage rates.

As a result of this defeat of their efforts to protect their position by legal methods, the weavers resorted to the method of striking, and the history of industrial relationships within the industry for the next few years was marked by strikes and demonstrations which frequently led to outbreaks of violence and rioting. This led to conflicts with the military forces which frequently had to be called out to deal with the situation. The industry at this time was entirely unorganised, both on the side of the employers and of the workers, for the reasonable settlement of differences arising between them. This chaotic condition appears to have been in accordance with the newly-accepted economic philosophy of the time. The freedom of the employer to engage labour at the lowest wage that a poverty-stricken and often incompetent worker would accept, thereby dragging down the standards of the more reputable employers, was in accordance with the accepted political economy of that day. The reaction of the more responsible employers to this state of chaos was shown by the fact that a considerable body of employers again approached Parliament for a system of legal minimum wage rates. One member of this body wrote: "I have till lately been of opinion, jointly with my fellow manufacturers, that a minimum wage was an evil to be avoided, but the unequal and low wages that have been paid for the last three years, added to the extreme and unnecessary oppression to which the weavers have been subject, has effected a change in our sentiments." The decline in wages he attributed to the "number of people of little capital and less feeling who attempt to realise a profit by underselling their more respectable competitors who pay higher wages."

It must be remembered that throughout this period all attempts to regulate wages and working conditions by collective action were illegal as coming under the provisions of the Com-

binations Act. But in spite of this such efforts continued to be made, the only effect of the Combinations Act being to drive them underground. The repeal of this Act was accomplished in 1824 under the most amazing circumstances. A group of Members of Parliament, with the assistance of certain people outside Parliament, succeeded in having set up a Parliamentary Committee to enquire into the working of the Act. This Committee produced a report condemning the Act and declaring in favour of complete freedom of combination and a Bill to this effect was introduced into Parliament and rapidly passed by both Houses before the opposing parties realised what had happened. The following year the President of the Board of Trade attacked the Act which he said had been smuggled through the House without his attention having been called to the fact that it went far beyond the mere repeal of the special statutes against combinations. The Prime Minister and the Lord Chancellor protested in the House of Lords that they had been quite unaware of the passing of the Act and that they would never have assented to it. An amending Act was now passed which re-established the Common law prohibition of trade combinations, but specifically excepted from prosecution associations for the purpose of regulating wages or hours of labour.

This Act is the original charter of Trade Unions in this country. The right of collective bargaining, involving the power to withhold their labour in a body, was for the first time conferred upon the workers. The passing of this Act raised high hopes among the workers in all industries that the way was now open to a rapid and substantial improvement in their conditions. Trade Unions sprang up on every side, frequently led by men of inexperience and hot temper. But the hopes so quickly raised were as quickly shattered. The year 1826 opened with a financial panic and widespread commercial difficulty. The next four years were marked by trade depression, increas-

ing unemployment and reductions in wage rates. The newly-won freedom of combinations was no defence against the deterioration of trade and its effects upon the fortunes of the workers. The disappointment of their hopes gave rise to a sense of resentment among the workers—resentment which was directed particularly against those millowners who had installed the new power-looms. The workers turned out in mobs, sacked the power-loom factories and frequently came into conflict with the military forces. The folly of a policy of violence was quickly realised and again the workpeople turned to the agency of collective action for the improvement of their conditions.

A new form of combination now became the fashion. The workers' organisations up to this time had generally been associations of workers in one trade and in one locality, but the local and separate nature of their Trade Clubs appeared to the workers to be the reason of their weakness. A movement in favour of amalgamation of these separate bodies in larger and more powerful organisations now developed, and in this movement the textile industries of Lancashire and Yorkshire played a leading part. The local Cotton Spinners' Trade Clubs had grown in strength and importance with the growth of the industry, but in the years 1829-1830 a series of costly and disastrous disputes with the masters had gone badly for the workpeople, so it appeared to their leaders that what was required was a more efficient and extensive form of organisation. A conference was called to which delegates were sent from the spinners' local organisations throughout the United Kingdom, and the result of this conference was the formation of the Grand General Union of Operative Spinners, the first example of a British trade union on modern lines.

More ambitious efforts for the restoration of wages were soon undertaken by the new organisation. In Manchester a

piecemeal but methodical strike was organised by the Spinners' Union. An observer describes the method as follows:—

“Their system is to order the hands in only a limited number of mills to turn out at a time in order that, until these shall have gained their point, they may be supported by the funds of the Union. When they had got their wages increased to the extent of their demands, another set of mills are turned out, and so on, so that a constant state of irritation is kept up.”

This policy proved too successful for the masters' peace of mind. Not only was the Union succeeding in gaining its wage demands, but the masters feared that its growing influence would undermine their authority within their own mills. Another observer wrote that, in the view of the masters, “the men insist that they regulate the whole work in the factories, in all its details, in the manner which the Union prescribes; and the men refuse to communicate with the masters, referring them for terms to the leaders of the Union.”

In several of the towns the masters decided to enforce the issue with a view to crushing the new Union. They bound themselves together to enforce a general reduction of wages in their areas. The men refused to accept this reduction with the result that these mills were closed down. The reply of the Union was to call a general strike in the industry with a view to forcing the masters to withdraw their notices of wage reduction. This effort to make the strike general throughout the industry appears to have met with little success. A few mills in the unaffected towns came out in support of the strike, but the general response was disappointing to the leaders. Gradually the pressure of want forced the strikers back to work at the reduced wage, and within three months the spinners were all working again. The financial strain of the effort, the lack of unity between the various districts and the ultimate defeat of the Union appear to have condemned it as a failure in the eyes of its members, for nothing is known of it after 1832.

The failure of their efforts through the Trade Union movement had the effect of diverting the attention of the workers towards political activity for the improvement of their conditions. The Chartist movement, the objects of which were an extension of the parliamentary franchise and a more representative form of Government, occupied the stage from 1837 to 1847. The trade unions were not generally active in this movement, but it provided a sphere of activity for many of the more aggressive trade unionists.

The local labour clubs now directed their activity towards obtaining a legal limitation of the hours of labour. Some legislation had already been obtained which set limits to the employment of children in the cotton factories. In 1819 an Act had been passed prohibiting night work by children under 16 years of age and restricting the working hours of such juveniles to 72 hours per week. This Act also prohibited the employment of children under 9 years of age. Another Act of 1831 brought all persons under 21 years of age under the prohibition of night work and it restricted the hours of all workers under 18 years of age to a twelve-hour day and 69 hours per week. A further Act of 1833 reduced the hours of work for children from 9 to 12 years of age to 9 hours a day and 48 hours per week. This was the first Act of Parliament which set up the necessary machinery to ensure that the provisions of the law were observed by providing for the appointment of factory inspectors. The next Act, passed in 1844, extended the limitation of hours of work to women of all ages, limiting female labour to 12 hours a day and 69 hours a week. It also curtailed the hours for children to 6½ hours per day and provided that they should attend school 3 hours every day. A retrograde step taken in this Act was to reduce the age at which children could be employed from 9 to 8 years. This Act brought into existence the half-time system under which children worked in the factory one-half of the day and at-

tended school during the other half. The Act of 1844, also, first provided for compulsory safeguards against accident. It required that certain moving parts of the machinery should be securely fenced for the protection of the workers. In 1847 an Act was passed reducing the working hours of women and young persons to 10 per day and 58 per week. This was followed by the Act of 1850 which fixed the hours between which women and young people could be employed at 6 a.m. to 7 p.m. The effect of this legislation was to destroy the shift system by which the mills could be staffed over a longer working day by relays of workers. As a compromise with the employers, this Act extended the permitted hours of work for women and young people to 10½ per day and 60 per week.

The records of the first half of the 19th century show that, while the efforts of the unions to obtain improved and uniform wage rates had met with little success, considerable concessions regarding the hours and conditions of work had been imposed on the industry by the action of Parliament. It may be noted with curiosity that no mention is made in the Acts referred to of limitations of the hours of labour for the men. The limitation of their hours came about as the indirect result of these measures because the work of the men was dependent upon the labour of women and children for keeping the factories running.

From about 1850 the Trade Union movement entered upon a new era. The extravagant hopes and more violent methods of the earlier trade unionists now gave place to the more limited objects of building up permanent organisations in each industry with well-conducted, centralised administration. This phase marks the substitution of more regular forms of negotiation with the employers for the cruder methods of the strike for the settlement of matters in dispute. The newer form of trade union proved itself to be an increasingly valuable unit in the social life of the community on account of the facilities it

offered for the insurance of its members against unemployment and sickness. Discarding the more revolutionary ideals of their predecessors, they set themselves to build up on constitutional lines a more powerful organisation. These developments were encouraged by two factors for which that period was remarkable. The spread of educational facilities through such agencies as the Mechanics' Institute movement whetted the desire of the younger trade unionists for improving their education. This gave rise to a new type of trade union leader, a man of wider knowledge, broader views and more balanced judgment than the leaders of the earlier days. The other factor was a prolonged period of industrial expansion and trade activity.

The period from 1850 to 1875 saw an unparalleled expansion of the export industries. The adoption of Free Trade, the development of railway and steamship transport and, above all, the steady expansion of the money supply consequent upon the opening up of the Australian and Californian goldfields, all contributed to this result. While the cotton industry suffered two serious reverses during these years, the one being the contraction of the Indian market during the Indian Mutiny and the other being the failure of supplies of raw cotton during the years of the American Civil War, the period as a whole was one of considerable development and prosperity. The effect of such conditions upon the course of industrial relationships was to induce a more reasonable attitude of mind among both the employers and the workers. The policy of substituting more conciliatory methods for the settlement of differences grew in favour. Committees of the House of Commons in 1856 and in 1860 found that the workers in all trades were disposed to support the principle of voluntary submission of disputes to arbitration rather than to settle them by the more brutal method of strike and lock-out.

By the passing of the Trade Union Act in 1871, the Gov-

ernment placed the trade unions upon a legally recognised basis. No trade union was to be illegal merely because it was "in restraint of trade." Every union was entitled to be registered and such registration gave the union complete protection for its funds, and no union could be sued or proceeded against in a court of law. This law allowed to the unions the right of combination and of conducting trade disputes without being open to legal prosecution and forfeiture of funds on account of such activity. The employers attacked the measure as being one which placed the unions in a position of privilege, while the workers attacked it from another angle. One clause of the Act provided that any violence, threat or molestation for the purpose of coercing either employers or employed should be severely punished. The terms of this clause were not given definition, and the men feared that the meeting of men within their union to consider strike action would be construed in the courts as a threat against the employers. By this Act the trade unions became legally recognised bodies while, on the other hand, the prohibition of any effective trade union action was reaffirmed. The provision of the Act to which the workers objected was repealed in 1867 when a new Employers' and Workmen's Act was passed which specifically legalised orderly strike activities, including peaceful picketing. No act committed by a group of workmen was henceforth punishable unless the same act was itself a criminal offence. Collective bargaining, with all the rights of combination for the withholding of labour, was recognised by the law of the land.

This Act marked the arrival of the modern system for conducting industrial negotiations. The expansion of markets which was proceeding during this quarter century had given more continuous employment, and so the workers had been able to improve their standards of living in some degree. The trade unions had greatly increased in membership and influence and these developments made for a greater sense of responsi-

bility among trade union leaders. At the same time, the development of the insurance side of trade union activity demanded the service of full-time officials, so there came into being a new type of professional trade union leader who was required to be expert in the work of negotiation with the employers and in the other multifarious activities of the unions. From this time the unions have played a responsible part in the sphere of industrial relationships.

In 1853 was formed the Amalgamated Association of Operative Cotton Spinners—the union which still represents the workers on the spinning side of the industry. The same year witnessed the formation of the Blackburn Weavers' Association—the first constituent body of the present-day union for the weavers. But the year 1853 was most remarkable for the working out of a definite and systematic method of calculation upon which the wages of the spinners was to be decided. This was known as the Blackburn List of Piecework Rates, a printed document agreed to by both the employers' and operatives' organisations. This list was followed by other lists of a similar nature, but adapted to the particular requirements of other districts. The importance of these lists cannot be exaggerated as they gave to the worker confidence that he was being paid the standard rate for his district and for the class of work he was performing, while they gave the employer the confidence that wage costs throughout the industry were determined by a recognised standard and that his competitors could not seek to gain an advantage over him by the undercutting of wages. The framing of such lists is a highly technical and complicated process and calls for the services of expert officials upon both the employers' and the operatives' organisations. While these lists have been revised from time to time, they still operate as the method by which wages are determined throughout the spinning side of the industry. By the production of these lists, the spinners had come into possession of an instrument which

made possible the orderly and reasonable discussion between employers and employed of all matters affecting the wages question.

These improvements in the machinery for the regulation of industrial relationships did not avail to preserve peace in the industry in the years which followed. The expansion of trade which had provided the conditions favourable to the more friendly adjustment or differences between the employers and operatives suddenly came to an end in the early seventies. From 1874 the deterioration of trade and the fall in prices created very difficult conditions throughout the country with the result that employers in all trades were compelled to press for reductions in wage rates. In the cotton trade, wages suffered several minor reductions which gave rise to numerous local strikes. Then the employers decided upon a general reduction by 10 per cent throughout the industry, and one of the greatest strikes which the industry has ever experienced followed, but after ten-weeks' struggle the operatives returned to work on the employers' terms. The contrast between the improvement in industrial relations before 1874 and their deterioration during the years which followed is striking evidence of the close dependence of good industrial relationships upon favourable trade conditions.

With the exception of some short periods of slightly better trade, the general conditions remained unsatisfactory down to the early nineties, with the result that trade disputes were frequent and disastrous for the industry. A prolonged and costly strike occurred in November of 1892 when the spinners refused to accept a reduction of 5 per cent in their wages, which the conditions of trade rendered necessary. This strike lasted until the end of the following March, when both employers and operatives, realising the waste and futility of such a disastrous stoppage of work, took steps to compose their differences and to seek some method of avoiding frequent stoppages in the

future. The result of these efforts towards conciliation was the framing of the famous Brooklands Agreement. This Agreement, dated March 24th, 1893, marked a new and more enlightened approach to the settlement of disputes within the industry. In the first clause, it was stated that "some means should be adopted for the future whereby such disputes and differences may be expeditiously and amiably settled, and strikes and lock-outs avoided." It provided for the settlement of the dispute then proceeding by a reduction in wages of 7d. in the £ and for the immediate resumption of work. The all-important provisions of this Agreement referred to procedure to be adopted for the settlement of future disputes without recourse to strike action. It provided that the secretary of the local employers' association should give to the secretary of the local Trade Union, or vice-versa, one month's notice in writing of any demand for a reduction of wages in the one case or for an advance of wages in the other case. It also provided that no strike or lock-out should be countenanced or supported by either the employers' association or the operatives' Trade Union until the matter in dispute had been fully considered by the secretaries of the local employers' association and the local Trade Union or by a committee consisting of three representatives of each of these bodies. If such action failed to produce a settlement of the points in dispute within a period of seven days, the matter had to be referred to a committee of four representatives of the Federation of Master Cotton Spinners' Associations and four representatives of the Amalgamated Association of the Operatives' Trades Unions, with their secretaries.

The manner in which the provisions of this Agreement are carried out can be best understood by tracing the procedure in practice. It is presumed that a dispute concerning the conditions of employment has arisen at a certain mill. In the first place the operatives concerned report their complaints to the

management of the mill, and an endeavour is made to settle the matter. In practice, the majority of minor troubles never get beyond this stage. If, however, the trouble cannot be satisfactorily settled between the management and the operatives within the mill, the case is reported to the local trade union secretary, who generally visits the mill as soon as possible and, after enquiring into the facts, interviews the management and a settlement is attempted between these parties. If this effort is unsuccessful the trade union secretary reports the case to the secretary of the local employers' association who, in turn, enquires the facts from the management of the mill, after which the two secretaries usually visit the mill together and try to effect a settlement. If this fails, a local joint meeting is arranged. The employers' representatives for this meeting are usually managers of other mills in the district and the operatives' representatives are usually employed in other mills in the same district. The points in dispute are discussed by this meeting and every effort is made to arrive at a settlement. If this is unsuccessful, the dispute passes to the next stage of negotiation—the central meeting. This meeting is composed of members nominated by the central employers' Federation and members nominated by the central operatives' Amalgamation. If it proves impossible for this central committee to reach an agreement, the available means of conciliation under the Brooklands Agreement will have been exhausted, but this does not mean that, in practice, a conflict is inevitable. When matters have reached this stage, a break-down of negotiation would be a serious matter, for the central bodies would now be committed, more or less, to support the local bodies and the conflict would probably become general to the whole of the spinning industry.

A general stoppage of work in the cotton industry is a matter sufficiently serious to induce the Government to exert its influence towards keeping the negotiations going, in the hope

that a settlement may be reached before the extreme measure of declaring a strike or lock-out is taken. Such action takes the form of offering the services of a senior official of the Ministry of Labour in the capacity of independent adviser to the Central Committee. In this capacity he offers suggestions for compromise between the conflicting interests and the influence of an impartial observer in the proceedings. But he has no power of compelling a peaceful settlement. The acceptance of his services and of any suggestions he may offer is at the free disposal of the Committee—to be accepted or rejected by either of the parties represented upon it.

The Brooklands Agreement was entered into only by the employers' and operatives' organisations in the spinning section of the cotton industry, but it became the model for a later agreement covering the weaving section. The acute difficulties which the trade experienced during and after the post-war depression caused a number of master-weavers to consider the possibility of reducing costs of production by increasing the number of looms attended by one weaver. The consent of the weavers' trade union was gained for a limited number of such experiments to be made, but trouble arose over the readjustment of the Uniform List—upon which the weavers' wages are based—to the new conditions of work. The imminence of a serious industrial upheaval in the cotton industry alarmed the Government, which at once sent the chief of the Industrial Relations Department of the Ministry of Labour to Lancashire to try to avert a stoppage of work. Representatives of the employers and operatives met under his chairmanship a few days before the lock-out notices were due to expire. This meeting failed to reach an agreement and the lock-out commenced on January 17th, 1931. The mills were closed and the industry was at a standstill for several weeks when on February 13th the employers, realising that some move must be made to break the deadlock, issued a notice that the more-

looms experiments should be discontinued and the lock-out notices withdrawn.

For the time, this appeared to be the end of the official attempt to introduce the more-looms system, but when work was resumed certain employers insisted upon continuing with it. The operatives' unions tried to prevent such mills from working, but the mills were generally able to obtain all the labour they required because of the prevalent unemployment in the industry. Unofficially, the more-looms movement continued to expand and it received official recognition again in June when, at a meeting between the employers' and operatives' organisations in one district, the latter suggested that an application for the resumption of negotiations upon it might be favourably received.

The central body of the Manufacturers' Association immediately made application and a joint meeting with the Amalgamated Weavers' Association followed. A negotiating committee, representing employers and operatives was set up and held over thirty meetings. On March 7th a report was made to the central bodies showing the progress towards settlement which had been made, but just at this time the Central Committee of the Weavers' Amalgamation torpedoed the proceedings by refusing to accept the recommendations of the Negotiating Committee.

In view of this attitude, the employers decided that they would have to seek relief by a reduction of wages, and their organisations upon both the spinning and weaving sides of the industry asked the Federation representing all the operatives' unions to enter into joint negotiation for the reduction of wages of the weavers. The operatives' Federation replied with a refusal to consider any reduction whatever which led the weaving employers to abrogate all their wage agreements with the unions and the necessary one month's notice of this was tendered on May 11th, 1932. Then followed a period of un-

systematic wage reductions. Employers introduced such reductions as they considered possible and necessary, but without any uniformity as between one mill and another. The machinery for collective bargaining had temporarily broken down.

After two months of this experience, the Operatives' Union agreed to enter into negotiations for a new wage agreement and to recognise that any such agreement must involve a reduction on the original rates. During the negotiations, difficulties arose over the reinstatement of strikers and also upon the extent of the wage reduction to be made, and the discussions ended without having produced any agreement. The Federation of the operatives' unions decided to force the issue by calling a strike throughout the weaving side of the industry, the notices of which were given to the employers. The Lord Mayor of Manchester intervened in an effort to avert the strike, and meetings between the parties took place on three successive days but without result, and the strike commenced in accordance with the notices. The next move came from the Government. After the strike had been in operation about ten days, the Minister of Labour addressed a letter to both organisations appealing for a settlement and a resumption of work. Both parties replied by agreeing to meet under the chairmanship of a Government nominee. The Chief Officer of the Industrial Relations Department of the Ministry of Labour proceeded to Manchester, where the Joint Negotiating Committee met at the Midland Hotel under his presidency. Meetings were held daily from September 13th until the 25th, when agreement on the points at issue was finally reached.

This agreement, known as the Midland Agreement, went far beyond the mere settlement of the immediate trouble. One clause reads: "It is agreed that all the agreements governing Hours and Wages and methods of collective bargaining, as they existed prior to their abrogation on June 11th, 1932, shall be restored." The methods of collective bargaining referred

to were laid down in an agreed set of Joint Rules dating from December, 1912. These Joint Rules were to the weaving section what the Brooklands Agreement was to the spinning section of the industry, but they provided an additional stage of negotiation before strike action could be taken. Under both forms of agreement, any point in dispute had to be referred to

1st—The local joint negotiating committee.

2nd—The committee representing the central employers' organisation and the central body of the particular trade union involved.

The Joint Rules of the weaving section also provided for reference to

3rd—The committee representing the central employers' organisation and the central body of the Federation of Textile Trade Unions.

The Midland Agreement not only restored this negotiating machinery, but it provided more elaborate machinery for the prevention of the breakdown of negotiations during future disputes. In both the spinning and weaving sections, disputes upon general questions, such as a demand for increase or reduction in wages throughout the industry, do not arise locally and, in consequence, are only discussed centrally, thus eliminating one stage in the procedure of negotiation. A crisis can thus develop very rapidly and the whole industry be brought to a standstill within a short time. Under the Midland Agreement, Conciliation Boards were set up to meet this particular difficulty.

The Boards were to consist of an independent Chairman and two independent members, one nominated by the employers and one by the operatives, and not less than three or more than five representatives of the central employers' and operatives' organisations. The Chairman and independent members are appointed to the Board for a period of several years. This Board must meet to consider any dispute which has passed through the normal negotiating procedure without a settlement

being reached. It must first endeavour to settle the matter by agreement but, failing this, the Chairman after consultation with the independent members shall make a recommendation. If invited to do so by both sides, the Chairman has the authority to make an award.

This Agreement was originally entered into by the employers' and operatives' organisations on the weaving side of the industry only, but was later accepted by both parties in the spinning section. A separate Board was constituted for each section of the industry.

The standing Chairman of both Boards is a prominent Barrister who was nominated by the Ministry of Labour at the request of both employers and operatives. The independent members nominated by the employers are in each case very important employers of labour in other industries, while the operatives' nominees are a trade union leader in the iron and steel trade and an economist attached to the Parliamentary Labour Party. The importance of having independent members of wide experience upon these Conciliation Boards cannot be overestimated as they bring to the discussions, in their final stage, a measure of impartial judgment which is hardly to be expected of parties to the immediate dispute. At a later date, the Operatives' Unions in the spinning section withdrew from these Conciliation Clauses.

After the institution of the Conciliation Boards there was considerable difficulty in the weaving section on account of certain employers breaking away from the employers' Association and refusing to recognise agreements entered into between that Association and the operatives' unions. The extremely depressed state of the industry may be advanced as justification for such action because many mills were running at heavy loss. The weakness of the workers' position owing to the prevalence of unemployment in the industry also encouraged such mills to make terms with them in violence of the

agreements in force between the organised bodies. These developments struck at the whole principle of collective bargaining and threatened a return to the chaotic conditions of half a century back.

In order to prevent such developments, a Joint Committee of the employers' and operatives' organisations decided to ask the Minister of Labour to introduce into Parliament an enabling bill whereby all firms, whether affiliated or not, could be compelled to pay wages in accordance with the collective agreements made between the central organisations of employers and operatives. The result was that a joint delegation met the Minister of Labour in January, 1934, and placed the whole position before him. The Cabinet appointed a sub-committee to consider whether such a bill would be advisable, and on March 29th the Minister of Labour announced in the House of Commons that such legislation would be drafted. The Bill was introduced on May 3rd and much of the threatened opposition to it died down when it was seen that ample safeguards had been inserted to protect the independence of the industry and the rights of the minorities. The Bill met with little opposition during its passage through Parliament and became law on June 28th, 1934.

The Act provides that the organisations of employers and operatives in the weaving section of the industry can apply to the Minister of Labour to make an order for the compulsory application of any agreement between them respecting the rates of wages to be paid under such agreement. The Minister of Labour must be satisfied that the organisations making the application represent employers controlling a majority of the looms in the industry and the majority of the workers who will be affected by the terms of the agreement. The Minister shall then appoint a Board to consider the application and report to him upon it. The Board shall consist of a Chairman and two other members, none of whom shall be connected with the

industry. Each organisation making the application is entitled to appoint six of its members to sit with the Board as assessors. After satisfying itself that the organisations making the application represent the owners of a majority of the looms and a majority of the operatives affected, the Board shall consider the advisability of making the Order applied for and shall report its findings to the Minister of Labour. Any recommendation for the making of an Order must have the unanimous support of the Board. Notice must be given of the hearing of an application and free copies of the agreement under review must be available to anyone requiring them. The Board must consider all objections and the oral evidence of objectors may be taken.

Upon receipt of a favourable report from the Board, the Minister may make the desired Order but he has not the power to modify any of the terms of the agreement upon which the application had been made.

When an Order is put into force, notice must be given in the London Gazette and its terms will be

- (a) All workers affected by the agreement shall be paid a rate of wages not less than those stipulated in the Order. If less wages are paid, the employer shall be liable to a fine not exceeding £10 for each offence.
- (b) It shall be the duty of every employer of persons affected by the Order to keep a copy of the Order conspicuously exhibited on the premises where such people are employed. Non-compliance with this requirement renders the employer liable to a fine not exceeding £5.

Any Order which is in operation shall be revoked by the Minister if either of the organisations who were parties to the application of it should make a request, in writing, for this to be done.

After an Order has been in force for a period of twelve months or longer, the Minister may appoint a Board to enquire

whether it is expedient that the Order should be revoked. If it reports unanimously in favour of such a course, he may revoke the Order. The Minister has power to appoint such a Board for reconsideration of the Order at intervals of not less than twelve months. The Minister has power to revoke such an Order if such a course is rendered necessary by reason of imminent national danger or great emergency.

This Act does not legalise present agreements, but only such as have been recommended for an Order by the unanimous decision of the Board. In the latter case, the Order makes the terms of such agreement compulsory upon all employers who are affected by the Order, whether they were consenting parties to the agreement or not

This completes our review of the development of the machinery for the conduct of industrial relations within the Cotton Industry. It will be seen that this development has been a process of expanding and adapting such machinery to meet the changing needs of a changing industrial and social situation. The developments of later years have been inspired by a realisation that strikes and lock-outs are a costly and unsatisfactory method of settling differences between employers and employed; that when the struggle ends through the exhaustion of either of the conflicting parties, negotiations have to be resumed to determine the terms of settlement. So the machinery has been elaborated to allow of, first, local negotiation, then, central negotiation, later the calling in of disinterested people who are qualified to act in such matters and, finally, in the case of the weaving section, the enforcement of the conditions of majority agreements upon recalcitrant minorities in the trade. The understanding is that during the time these various stages of negotiation are proceeding the work of the mills shall not be interfered with by either strike or lock-out. It is realised that both employers and employed have their rights, and their obligations also, and the machinery which we

possess to-day has been designed to allow of matters in dispute to be objectively examined and determined in accordance with that view. The legal enforcement of agreements is purely permissive, only coming into effect with the consent of a majority of the trade who will be affected and with due safeguards of the rights of minorities.

In matters of factory legislation affecting the hours of labour and conditions of work within the mills, the opinions of both employers and employed are generally sought before any such Bill is drafted, and the result is generally a compromise between the interests affected. It is this spirit of compromise which has made possible our present arrangements for the conduct of industrial relations and, if that spirit is carried into the negotiating chambers, those arrangements are capable of preserving the industry in the future from some of the worst of our experiences of the past.

A development which is somewhat outside the range of ordinary industrial relations, but which may prove to be of the greatest importance to the industry, was the establishment in 1927 of the Joint Committee of Cotton Trade Organisations. This permanent body consists of representatives of the principal organisations of employers and operatives in the industry, and its purpose is to examine all questions which affect the prospects of the industry, with a view to exercising the whole influence of the trade for the promotion of better trading conditions. In this work the employers and operatives are united in a common purpose, and the effects of such co-operation should go far to promote a better understanding and a greater spirit of fair dealing in the settlement of differences which arise between them.

PART IV

I.

PROFIT-SHARING AND CO-PARTNERSHIP
IN GREAT BRITAIN

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INTRODUCTORY

CO-PARTNERSHIP denotes the attempt which has been made in many businesses to create within the framework of the enterprise itself a sense of partnership, of identity of interest between the parties engaged in a common endeavour. It rests on the belief that the business structure of any community depends on the active and willing participation of workers of all grades each of them contributing the best work and the most diligent thought in an atmosphere where the rewards of activity and diligence are distributed on a basis which appeals to the workers' sense of justice. Co-partnership, in brief, is an effort to translate into industry, so far as its peculiar conditions will allow, the idea of government based on the consent of the governed. The first requirement, therefore, is an industrial leadership capable of inspiring those who have to obey orders, and of earning their confidence that the working arrangements of business are so organised that the workers can earn as much as the industry can afford, that they too as well as the owners of capital or the management have a sense of proprietorship in the concern,

and that their abilities are properly utilised for the common benefit.

This spirit of leadership inspiring a sense of common endeavour for common benefit may no doubt be found in many businesses which have introduced no formal method of achieving it, but it has been found in practice, notably in Great Britain that the methods of Co-partnership and Profit-sharing provide a powerful and simple means of putting into concrete form what may otherwise remain in the field of aspiration.

Co-partnership may be defined as a method of the sharing with workpeople, on a constitutional basis, of (a) profits (b) ownership (c) information and (d) management. The phrase "on a constitutional basis" is emphasized as it is of great importance if a feeling of equity is to ensure that the arrangements proposed should be not the result of casual participation and delegation but of a definite pre-arranged basis, easily understood and unambiguous, based on considerations of social justice and not of charity. How do these principles work out in practice? In the first place it must be said that it would be most difficult, and a course of doubtful wisdom, to construct a formula and machinery suitable for all industries and businesses of every size. They differ so widely in their particular circumstances, in the nature of the market, in the type of workpeople according to age and sex or skill, in the proportion of labour costs to other costs, that each industry must solve the problem in relation to its own requirements. Co-partnership schemes vary in detail in respect of all these factors and indeed of the willingness of employers and owners of capital to make the economic sacrifices which they involve, temporary though they may prove to be. The clear lesson of past experience of Co-partnership schemes has been that these guiding principles can be applied with fruitful success to nearly every kind of business whatever its size or the nature of the work carried on.

PROFIT-SHARING

I. THE THEORETICAL CASE

The practice of Profit-sharing has persisted in Britain, in France and in the United States for just over a hundred years and there is much evidence of its success in promoting social harmony where it has been tried. The actual methods employed depend on the capital structure and the methods of wage-payment or remuneration in the particular business. The notion of "pure profit" is an abstraction of the academic economist, but it corresponds to something within the experience of the practical business man, who after he had paid the customary rates for his capital and the customary rates of wages, and provided the cost of material and the running costs of the business allocated the remuneration of management, finds then a surplus which he calls "profit" or if it is negative "loss". Normally this surplus or loss which is in the nature of a windfall belongs to or falls upon the proprietors of the business, the owners of the common stock of the company. It is the magnet which attracts or repels capital from entering particular industries. It may be the product of few or many factors. It may be the result of good or bad fortune of economic factors outside the control of the individual business man, or of particularly skilful or unskilful management, or of the diligence or apathy of the workpeople. Profit-sharers believe, not on any abstract basis of justice, but simply as a form of recognition and encouragement that workers should be offered a definite proportion of such profits when they are earned and that the immediate sacrifice of the owners of capital will be recouped both in economic gains and in moral satisfactions of more permanent value by the good feeling thus created. It is sometimes urged at this point of the argument that workers should also share losses. Neither losses nor profits, as has been said, are wholly of their making. Losses

fall on workers sharply in times of depression in the shape of unemployment and the decline of their customary wages. In times of economic fluctuation the wages system is a most inflexible instrument and wages are seldom fixed above the economic value of the service rendered. This is a defect which such methods help to remedy. The sharing of profits, when they are earned, is urged as a contribution to goodwill which will steel the business against adversity and will create the internal vitality to resist the worst effects of the economic blizzard. There is great public gain too in turning the surplus profits of industry into channels of consumption thereby promoting a more equitable distribution of wealth and maintaining the domestic market by an adequate supply of purchasing power. Profit-sharing is not a substitute for adequate wages or for wisely conceived schemes of industrial incentives to individual workers or groups of workers. It is a supplement to the normal methods of remunerating labour (whether by day-work or piece-work) given not as prescriptive right but as some assurance that the fruits of prosperity are widely shared among those who help to earn them. It has a place in a well-rounded scheme of labour relations in such businesses as see fit to provide for their workpeople as a part of working costs the best wages, the most agreeable and hygienic working conditions, with perhaps some guarantee against old age in the shape of a pension. All those things are praiseworthy and desirable. The sharing of profits is at the basis of them all and prepares the soil for more highly developed systems of industrial relations.

2. PRACTICAL METHODS. HOW PROFITS ARE SHARED

The method most normally adopted in British schemes has been that after all ordinary outgoings have been paid and reserves have been set aside a standard rate of interest on ordinary shares (what is known in U.S.A. as common stock) has

been paid before any division of ultimate profits has taken place. One of the oldest schemes in England is that of Clarke Nickolls & Coombs Ltd., Confectionery manufacturers, which dates from 1890. After all expenses have been met and reserves made a dividend of 6% is paid on ordinary shares and 50% of the remaining profit is divided in cash among workers of over one year's service proportionately to their wages and salaries. In the case of Vauxhall Motors Ltd., (which is associated with General Motors) after 6% has been paid on the capital invested in the business (estimated from the balance sheet according to a definite formula) 10% of the surplus is allocated to workers of over one year's service proportionately to salaries and wages with increases of up to 25% for those of fifteen years' service or more. Triplex Safety Glass Co., Ltd., allocates 12½% of the surplus after 10% has been paid on the estimated capital of the business (on a basis of assets over liabilities) which is divided in a similar way.

These examples are cited as typical examples of profit-sharing schemes to illustrate the general principles by which those of this type are governed. One or two general points should be noted: 1. The schemes cover the bulk of the workpeople. 2. The bonus is additional to the customary or agreed wages. (Some schemes which provide for a substantial bonus to supplement inadequate wages when the bonus is in effect deferred wages are to be deprecated as they are the source of much friction and misunderstanding.) 3. There is usually a qualifying period which ensures that the benefits accrue to employees whose position is more or less permanent. One year is the most frequent qualifying period, but in some schemes it is as short as 3 months and in some e.g., Sears Roebuck & Co., Ltd., of Chicago as long as 10 years. The object of such qualification is to reduce labour turnover which is a source of great waste. In most cases the sums that would otherwise accrue to those workers who have not qualified are placed to

some funds of general benefit rather than swell the accounts of those qualified which might be thought inequitable. 4. Many firms give an additional weight for long service sometimes heavy as in the case of the Associated Portland Cement Manufacturers Ltd., where the employees of 10 years' service or more receive five times the share of the employees of one year's service, sometimes light as in the case of Vauxhall Motors Ltd., where an employee of 15 years' service or more is credited with an additional 25%. 5. There is sometimes a provision restricting bonuses to those with a record of good conduct, good timekeeping etc.

Another method of division of the surplus profit is that of J., T. & J. Taylor Ltd., Woollen Manufacturers of Batley, Yorks (whose scheme is more fully referred to in a later section) who provide that after 5% has been paid on the ordinary shares for every additional 1% which is paid on capital, 1% is paid as a bonus to wages with the provision that double bonus is paid to workers over 21 years of age who have been with the company not less than five years.

3. THE EFFECT OF PROFIT-SHARING

It is clear from what has been said that profit-sharing involves the employer in the definite and known sacrifice of a portion of his profits for indefinite and unknown, but none the less real, advantages both moral and material. It would be idle to pretend that those advantages can be measured with any degree of accuracy but there is abundant testimony on the part of those with practical experience that such schemes tend to reduce waste of time and materials, that they reduce the need for meticulous supervision and inspection, that they encourage methods of safety against accident and that the spirit of willing service thereby created can be turned to account in many ways. In the past they have earned the suspicion and the hostility of trades unions as it has been contended that

their effect, if not their intention, was to differentiate between groups of workers and to undermine loyalty to workers' organisations. There is still no enthusiasm on the part of trade union leaders in Great Britain for such schemes. In the past they have been introduced, regrettably often, without regard to the claims of trade unions for recognition. This hostility is slowly giving place to the view that such schemes deserve to be treated on the merits of each case and to be judged in the light of the attitude and record of the employers who introduce them. As naturally enough Co-partnership appeals to the better type of employer this in itself helps to bring about a greater tolerance. There are several instances e.g. Bryant & May Ltd., the leading British match manufacturers and Rowntree & Co. Ltd., chocolate manufacturers, where the interests of trade unions are specifically safeguarded in the scheme, where trade union membership is actively encouraged by the employer and is practically universal and where as a result the co-operation and concurrence of the unions has been secured. So far as British experience goes there is no reason to expect that labour leaders would obstruct schemes introduced in good faith with the intention of benefiting the worker provided they did not adversely affect trade union organisation. The drawbacks of profit-sharing as such are that it produces only a financial link; an incentive, though educative in the sense that workers may learn that profits fluctuate, that may prove to be remote in its effect. If the bonus is steady and regular it will be reckoned as normal income, if irregular and sometimes absent it may be a source of disappointment and disaffection. For the full advantage to be reaped, it needs to be supplemented by measures of other kinds.

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THE SHARING OF OWNERSHIP

Profit-sharing in itself, although it is a valuable preliminary and a necessary basis of good relations created by the method of co-partnership, is frequently found to need the additional stimulus of ownership of capital in the undertaking. Investment in industrial undertakings by working people is much less common in Great Britain than in the United States although it has been a common practice in the cotton and other textile industries often with disastrous results. Popular thrift has however considerably increased in recent years mainly through the channels of government securities and the post office savings bank, building societies, co-operative societies and so on. There is a strong case for discouraging poor people from investing their savings in industrial securities of a speculative character and for that reason it should be emphasised that the acquisition by workers of a capital stake in the companies which give them employment needs to be hedged with safeguards. It is illegal under the Truck Act (which provides that wages shall be paid only in cash and not in kind) to make subscription for shares a condition of employment. It is clearly undesirable to encourage workers to put all their eggs into one basket by entrusting their savings to those who give them employment unless the company has a sound record and some expectation of sound profit-earning capacity, for the double disaster of loss of savings and of employment is indeed grievous. Subject to this *caveat*, however, there are many well-known examples both in Britain and the United States of companies which have permitted their workpeople to acquire, either by gift or purchase, shares in the business which employs them, to the great benefit of both parties. The most satisfactory way of providing for employee ownership of capital is perhaps by the accumulation of the employee's share in the profits. This is the method

commonly followed by many of the leading British Gas Companies, about sixty of which have such plans in operation. In these cases a fixed proportion (sometimes 50%, sometimes 75%) of the employee's bonus is placed to a Trust Account and invested in his name in the stock of the company. The remainder is placed to a Withdrawal Account and is available in cash to the employee at short notice but earns interest while he leaves his savings on deposit.

It is a matter of some interest that as a consequence of Co-partnership schemes in the Gas Industry 52,000 employees own stock the market value of which exceeds £4,500,000 that is to say an average of over £80 per head. It has to be remembered that the amount with which a careful employee would retire from the company's service would greatly exceed this figure and many men have accumulated a nest-egg for their old age of several hundred pounds.

Bryant & May Ltd., the leading British match manufacturers, permit their employees, numbering over 2,000, to apply their profit-sharing bonus, if they wish, to the purchase of a special class of non-negotiable shares at par, which pay a dividend at the same rate as the ordinary shares. In the case of this prosperous Company, this is at present 12½%. There is thus a substantial inducement to employees to invest in these shares. It should be said, however, that the inducement is strongest among those classes of employees whose earnings are high enough to permit them to have some margin for saving. This suggests a possible practical difficulty which needs to be guarded against, viz. that the advantages of such a scheme may, in fact accrue only to a minority of better-paid workers.

Hazell, Watson & Viney Ltd., a firm of printers employing over 1,000 people, permit employees to purchase Employees Ordinary Shares by instalments, met out of voluntary deduction from wages. An insurance scheme is combined with the purchase and if a purchaser dies before the instalments

are completed, the shares are transferred to his heirs without further payment. These shares have been widely taken up and many employees are part proprietors of the business.

These are typical examples of the methods used by British companies to encourage the ownership of capital by employees in the undertakings in which they are employed.

As the object is to deepen the interest of workers in their daily work, there are usually restrictions placed on the free disposal of employee shares. The normal arrangement is, that in the event of the worker leaving the employment of the Company or at his death, the shares must be offered to the Company at par, (i.e. the price at which they have been issued). In some cases companies have undertaken an obligation to purchase such shares at an agreed price. This can, of course, only be done safely by companies where fortunes are expected to fluctuate only within fairly narrow limits. Cases have been known where firms in industries which have encountered sharp depression have found themselves under an obligation to repurchase employee shares at a figure far above the real value. Such cases in Britain at any rate fortunately have been rare. J., T. & J. Taylor Ltd., make a provision that employees who wish to part with their shares must offer them first to the Company. An employee must have a holding equal to a year's wages before he can sell his shares. Persons leaving the Company's employment must sell their shares within six months. To prevent employees leaving simply to get hold of the money (for instance to settle some private debt, or to extricate themselves from financial difficulties), the Company does not undertake to transfer shares until three months after the employee has left. Otherwise, the object of the scheme might easily be defeated. Such a condition is frequently in the employee's own interest, as it is a protection against oppressive creditors.

A number of other schemes such as the Nuffield Benefac-

tion for the Employees of Morris Motors Ltd., J. & J. Colman Ltd., mustard manufacturers, and Cadbury Bros. Ltd., cocoa and chocolate manufacturers, set aside a block of shares in the company, the income of which is devoted to the payment of profit-sharing bonuses. The Associated Portland Cement Manufacturers allocate to employees a varying number of "notional" shares which carry the same rate as the ordinary dividend. Although such schemes, which have many merits, have the appearance of share-owning schemes, they are in fact a variant of the simple profit-sharing scheme and should be considered in that light.

THE SHARING OF INFORMATION

A heightened interest in the financial results of a business on the part of rank-and-file industrial or clerical workers obviously stimulates a greater curiosity about its operations. In the first place the worker will wish to know how his share has been arrived at, and whether the provisions are just and equitable and not merely a disguised form of exploitation. Profit-sharing and Co-partnership schemes have sometimes suffered either because their terms were not so simple as to be capable of easy explanation, or for lack of that adequate explanation. Simplicity of language is a necessary safeguard of honest intentions. Most schemes are introduced to the employees by means of a printed memorandum, in which the necessary rules and conditions are set forth. It has always to be remembered, however, that memories are short, that the labour force is a fluctuating body of persons, and that interest may flag if there is not a steady stream of information made available to the workers about the scheme and the business that has made it possible. The channels of that information vary, of course, according to the size of the business. In one of the smallest size, with only a handful of employees, information is ex-

changed by word of mouth quite naturally as part of the day's work. The intelligent employee is likely to know nearly as much about the business as his employer. He knows the state of the order book, he knows the amount of work which is expected of him and he frequently knows both costs and prices and can make a shrewd guess about profits. Formal arrangements to maintain his interest are unnecessary. But the larger the business the less the personal contact between the employer and his workpeople. The organisation of method of exchange of knowledge and information vary according to the type of employee. They vary as much in respect of the temperament of the employer. The habit of candour is not easily acquired nor does it come naturally to many people. There is a pronounced tradition of secrecy about British business which derives from the individualist era of "laissez-faire". The typical employer is most jealous of his private rights and he is reluctant to agree to anything which might appear to question his absolute control.

This attitude has of course undergone great change in recent years. The privately-owned business in which the titular employer performed the functions of management as well as having himself a substantial financial interest is slowly giving place to the corporation governed by officials whose direct financial interest in ultimate profits is slight. The growth of combinations, cartels, marketing boards and similar arrangements has stimulated the readier disclosure of essential facts and figures to the investing public, to trade associations and to the workpeople who are vitally affected. But the tradition remains.

It has however been broken down in many notable instances. Workpeople are not interested in intricate financial detail, which is seldom intelligible except to experts. They are interested in general trends and it has shown itself to be good practice to acquaint them with the general guiding lines of

policy by means of work committees, general meetings of workers, works magazines, wall newspapers and so on. The right kind of machinery to maintain a steady stream of information about the business which is interesting to the worker frequently calls for considerable inventiveness especially if it aims at stimulating, as it should, constructive criticism and fruitful suggestion from the workers and their representatives. Works committees, or even casual meetings of workers called to discuss particular departures of policy can be invaluable, but they can also become perfunctory and mechanical if they are not given well-defined and ample responsibilities. In short, the conduct of labour relations and the maintenance of good institutions to preserve them, is at least as important as other major problems of the business although they may appear more pressing. Moreover it is less easily delegated to officials. If the active encouragement of good relations is to succeed, it needs the constant thought and attention of the employer or principal officer of a business in person.

Logically the most complete method of securing the representation of workpeople within a business is the election of workers' representatives to the boards of directors of companies. There are in fact in Great Britain very few instances where this has been done. The outstanding case is that of the South Metropolitan Gas Company, where three workers are elected as directors of the company while retaining their previous positions. They are elected by a ballot among those workers who hold stock in the Company, votes up to a maximum of ten being given according to the amount of the holding. This has worked well in the case of this Company for many years, as also in its related company, the South Suburban Gas Company, but its success may perhaps be attributed to personal factors as much as to the particular expedient itself. None of the fears usually expressed have shown themselves to have much foundation. The board has not split into two hos-

tile camps; there have been no breaches of confidence; there has been no disposition to use power to give particular groups of workers greater remuneration than circumstances would warrant. On the contrary, it is clear that the workers' directors have shown themselves loyal and able members of the board. It is more difficult to say what positive constructive contributions they have made or whether the system has recruited the ablest workers to those positions. Certainly it has not been the mass of electing demagogues or obstructionists or mere wind-bags. While the South Metropolitan system has found admirers it has found few imitators. The reason may be sought in the unwillingness of employers to give up even partial control of their business and perhaps even greater, the belief that the election of workers' directors would in fact make very little practical difference unless the workpeople had a greater permanent financial interest in the business. Workers' directors might well become passengers; courteous, loyal, intelligent people, but without the training to make judgments on intricate matters of business policy. In short, they might well be very much like many other company directors, when the demands on them were much greater. There is ample room for much more experiment on these lines, but little assurance that in itself it affords a real solution of the problem.

The fact is that the average worker takes very little interest in a business outside the narrow field of his own job. His interest can be stimulated about questions which affect him directly or which he can see touch his welfare intimately, but he is quite content to see others do the thinking. This is equally true in the field of politics. No one seeks to justify democratic forms of government on the ground that the average voter can be expected to understand the full implications of political policies. The justification of democracy is that the citizen is the best judge of his own rights and the most

likely person to be aware of their infringement. The vote is his means of protest.

What is needed in industry is to discover a practical means of securing an industrial franchise. It is a commonplace that the shareholders in public companies have practically allowed to go by default their rights of criticism and review at annual general meetings. Their voice is heard only when difficulties arise and can rarely be made effective then. The position of an employee is however rather different. In the first place his criticism is an informed criticism. Moreover it is usually more directly interested in the well-being of the concern as his livelihood may be at stake. There is however the consideration that even in the most favourable circumstances the employee is not always a free agent, and it is difficult to devise means by which he can express criticism and continue to feel free to do so. It is by no means helpful or conducive to good administration to permit employee representation to encroach on the proper field of the professional official. The task of the managing director in the area of higher control is to reconcile and harmonise the respective claims and policies of managers of technical departments. Each of these technicians has his own professional field of work and his own professional conscience to satisfy. Any suggestion of workers' control or investigation of every technical detail of the business would be unworkable and disastrous.

There is, on the other hand, a point at which the consultation with representative working people and the pooling of their experience in the matters of which they have special knowledge is a direct and helpful contribution to management. This need the works council, or Co-partnership committee, seeks to satisfy. Wages and conditions are normally settled in Great Britain by collective negotiation and agreement with the trade unions. Workers councils within the industrial unit therefore rarely concern themselves with questions

arising out of such agreements, although occasionally with minor matters of local interpretation. Such questions are left to the joint industrial councils where they exist (although wages and conditions are excluded from the terms of reference in some of these) or to other joint machinery.

The whole question of joint effort in industry may be said to be in the experimental stage, but many interesting developments have taken place. Boxfoldia Ltd., a Birmingham firm of cardboard box manufacturers make much use of what is known in the Soviet Union as the "wall newspaper" i.e. daily announcements from the management of items of interest. The works magazine is a feature in many businesses, although they vary considerably in quality, some concerning themselves almost entirely with personalia. Some firms have used it with success for wider purposes. The Gas Light and Coke Company in its magazine prints the minutes of the Co-partnership Committee and the list of awards in connection with its suggestion scheme together with a detailed examination of the suggestions. One of the most effective house organs which makes the policy of the firm and education regarding it a principal concern is the John Lewis Gazette, published by a leading London department store. This weekly journal publishes comparative percentages of the results of departments, minutes of the various committees of communications and the Council of the John Lewis Partnership (the equivalent of a central works committee) together with information on the actions taken on the recommendation of various committees. Moreover the journal publishes letters of criticism, both signed and anonymous, often of the most provocative character and the management makes careful replies. Great store is set by the principle of anonymity, and letters however critical are never refused, unless they infringe the law. As the John Lewis Gazette may be bought by the general public this policy calls for great courage which only a

firm belief in its efficacy would justify. It is impossible in the space available to treat adequately the achievements of the remarkable experiment, the John Lewis Partnership. Suffice it to say that by the generous forbearance of the chief proprietor the whole of the surplus profits beyond the payment of a fixed dividend on capital belong to the workpeople or partners who benefit according to their remuneration. The sphere of efficient management is reserved to those best able to conduct it, but questions of amenity and social improvement are the concern of the partners as a whole through their elected representatives.

STATISTICS OF BRITISH PROFIT-SHARING AND CO-PARTNERSHIP

An analysis made by the Ministry of Labour in a famous report published in 1920 (report on Profit-Sharing and Labour Co-partnership in the United Kingdom) and although there had been a steady increase in the number of schemes up to 1930 (and no sensible decline since the depression which followed) there has been no burst of activity comparable with that at the end of the War. There are at present 266 schemes recorded by the Ministry of Labour employing 385,000 people, of whom 223,000 benefit. (The difference is due to the qualification for entry to some schemes and that some are contributory share-holding schemes only). These statistics must not be taken as complete but they give an indication of the field covered. The fact that over the course of years a considerable number of schemes have been abandoned has given rise to a good deal of critical comment. It has to be remembered that many of such failures occurred where the scheme was never deep-rooted and in businesses which may not have been sound in any case. The course of industrial fluctuation inevitably entails the disappearance of many busi-

ness firms. There is sometimes a tendency (not now so prominent with experience of depression) to exaggerate the profitability of business enterprise as a whole. A valuable and careful analysis of the statistical position both in Great Britain and the United States will be found in Professor C. C. Balderson's *Profit-Sharing for Wage-Earners* (Industrial Relations Counsellors Inc. 1937). The chief lessons to be learnt from the published causes of abandonment are those which have previously been pointed out, viz. the importance of adequate explanation and subsequent cultivation of the scheme. No co-partnership scheme will turn an unsound business into a sound one and those who adopt co-partnership as a last desperate expedient to save themselves from disaster do not provide the best test of its merits.

SOME OBJECTIONS AND PRACTICAL DIFFICULTIES

THE ATTITUDE OF TRADE UNIONS

As has been said already it was the traditional belief of trade unionists, deriving from the disputes arising from early schemes when trade unionism was not the recognised feature of industrial life that it now is, that schemes of this kind were intended to undermine this solidarity. This is no longer held with the same vigour. So many of our British social institutions e.g. unemployment and health insurance were said to have that effect and to some extent they have. In the same way any employer who gives more advantageous terms or conditions to his employees, although helping to increase trade union rates of wages, by so doing reduces the incentive to belong to a union. The clear line of agreed rates becomes blurred and the progressive employer by the fact of his existence tend also to undermine the solidarity of organised employers. He is therefore a person whom the trade union

leader does well to cultivate. The view of most modern trade unionists is that provided there is no attempt to weaken trade unionism they are prepared, if not to welcome, at least to accept such schemes and to co-operate in them.

It is sometimes held that schemes of employee benefits have the effect of binding the worker to a particular firm contrary to his own true interest and that of the trade as a whole. If his employment is more eligible than the alternatives available there is every reason why he should be bound by ties of loyalty and interest, but there is nothing to prevent or to deter a worker from moving from firm to firm. There is a theoretical case to show that occupational mobility is retarded but it is largely an invention of the economist, in actual practice the difficulty is inconsiderable.

THE CASUAL WORKER

It may be properly observed that schemes of this kind make no direct contribution to the welfare of the worker whose work is casual or intermittent. Most schemes provide that workers shall benefit only after a qualifying interval sometimes of three or six months, usually of a year, but not infrequently as long as three years. Schemes are known where this period is as long as ten years, as in a leading Portsmouth laundry business, but in such cases the motive is to provide a capital sum on retirement for long service employees. It is admitted that the casual workers cannot be helped directly, but as the effect of such a scheme is to reduce the amount of casual employment and to diminish labour turnover there may be a most desirable indirect benefit. Moreover in a business, e.g. building contracting, where there is a considerable amount of casual employment it becomes all the more important to enlist the interest of the *cadre* of permanent employees. It is a fairly common practice, and a good one, not to divide the share of those who have not qualified among those who have, but to

apply the funds thus accumulated to some purpose of common benefit, e.g. a benevolent fund, or sports fund etc. Indeed in the case of Clarke, Nickolls & Coombs Ltd., one of the leading British confectionery manufacturers, the funds so amassed were so great in the early years of their scheme, which has been in existence since 1890, that they were able to finance a pensions scheme from it. This was of course at a time when employment was much more intermittent than it is to-day.

The unfortunate economic position of many casual workers could be improved by the more general introduction of schemes to make up wages to stated minima during short time. In the building industry proposals have been made to which it is believed legislative effect will shortly be given, to make payment general (up to about half the normal rate) for broken time due to inclement weather. This is to be financed by a contributing scheme to which both workers and employers will contribute an equal amount.

THE DIFFICULTY OF THE HEAVY INDUSTRIES

There are special difficulties about profit-sharing and Co-partnership schemes in industries where the proportion of labour costs is high relative to the total costs of production, and when the annual wage bill greatly exceeds the total profits. It is clear that in such cases although substantial profits were made the proportion that any single employee might receive of a part of them might be very small indeed. This situation is characteristic of the iron and steel industries and the coal industry. Profit-sharing of a straightforward kind might well prove to be unsuitable. In any case there are in each of these industries well-established methods of arriving at the workers total remuneration in the shape of wages, by reference to the profitability of the industry as measured by the price of its product. There is however a powerful case, as was argued in detail by the Royal Commission for the Mining Industry

of 1925 (popularly known as the Samuel Commission) for a system of employee shareholding to which these objections do not apply with equal force. This would be particularly valuable in those industries where the practice exists of translating exceptional prosperity in the shape of bonus shares to existing holders.

THE SHARING OF LOSSES

It is frequently contended that if employees share profits they should also share losses when they occur. The obvious answer to this contention has already been emphasised and scarcely needs making. The inevitable loss of wages and of employment, with its resulting threat to workers' economic security in bad trade is in fact a share of economic losses. There have been a number of attempts to construct profit-sharing schemes which sought to introduce an element of loss-sharing but though theoretically appropriate, in practice they reduce the incentive to willing co-operation that such schemes should provide. A most ingenious scheme of this kind has been introduced by a London paint manufacturer to which such objections do not apply. By this scheme "outgoings" (i.e. all charges other than wages or dividends) are first deducted from gross proceeds. The trading balance so arrived at is divided in the proportion of 15% to labour and 5% to capital. The first charge, the employees fund is the rate of wages agreed by the industry as a whole. Seventy-five per cent of any surplus which exists is distributed in cash as a profit-sharing bonus and the remaining 25% is put into a Reserve or pool to provide against future deficiencies.

THE PROBLEM OF PRIORITIES IN LABOUR POLICY

The aim of a progressive policy of labour relations in any business is to increase the satisfaction of the worker, to heighten his interest in his work and to create an atmosphere of settled contentment based on agreements openly arrived at. The letter of such agreements is important for much misunderstanding and suspicion can be caused by good intentions working with clumsy instruments. The spirit is far more important for it can infect the whole organisation and overcome the defects of faulty machinery. The requirements of individual businesses vary from trade to trade but the first essential of good relations is the payment of the best wages that the trade will support under good working conditions. The organisation of a pensions scheme or similar adequate provision in old age; the payment of part wages in short time or unemployment; the provision of workshop amenities, medical care or social facilities; the supplementing of wages by means of family allowances; all of these may be desirable objectives in the absence of public provision to secure them for citizens as a whole by legislative enactment. Such amenities are each one of them additions to the costs of business. They may involve charges which the business can meet in good times but not in bad. In any event although they become fixed charges which it is difficult to reduce they are in the last analysis borne by profits as the cost of them would otherwise have been taken by the proprietors in the shape of profits. It would be idle to construct a table of priorities which every industry should follow in such matters. The important thing is that every business should apply to its own requirements, methods of sharing prosperity with those who have helped to make it, with the object of maintaining and increasing the satisfactions which arise from the life of a community possessed by common aims.

PROFIT-SHARING AND THE AMENITIES OF THE NUFFIELD FACTORIES

By H. A. GODDARD,
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THE first impression of a visitor to the factory of Morris Motors Limited is usually one of amazement at the calm and almost casual manner in which the operatives seem to perform their respective tasks. One thinks of mass production as attended with rush and hurry, tense concentration and unrelieved monotony. Such is not the case at the Morris Factory. There operations are timed to such an extent that the men have ample time to fulfil their task with complete ease. This has been brought about by intensive time study; in fact, the various operations throughout the factory are so closely timed that in some instances the man who puts the bolt into position does not finish the job by tightening the nut on it—that is part of the next man's job.

I am not, however, dealing with methods of production. Rather do I want to tell of the actual worker and the efforts which are made for his well-being and to assist him in the task which he has to do. No amount of organisation or system can avail unless the personnel of the factory is right and the operatives are contented. Incidentally, it is a significant fact that a large percentage of the original workmen engaged by Lord Nuffield, when as Mr. W. R. Morris he commenced the great

undertaking which bears his name, are still employed, many of them in very responsible positions.

In a City such as Oxford, which, until the arrival of the motor car industry was purely a University City, it will be readily seen that there was not a large margin of labour to draw upon, and consequently, labour had to be imported from various industrial centres. During the early years many difficulties were encountered, and the first of them was the housing shortage. It has always been the policy of the Company not to provide dwelling houses for its employees: the argument has been that the prosperity which an industry brings into an area should be sufficient to stimulate private enterprise to supply any want in that direction. Further, it was felt that when it comes to a man's dwelling house, he should be permitted to express his individuality, which is rather difficult when living in a house supplied by his employer.

Most of the employees in the factory are paid by a system of piecework—either individual piecework or group piecework. The individual piece-worker is given in the first instance a basic rate, and on top of that he gets a price for the particular job on which he is engaged. The more a man earns, the better the management likes it; indeed, if a man is not earning what it is considered he should, investigation is promptly made. The group piece-worker is in practically the same category except that the worker is not dependent entirely on his own efforts, but on the united efforts of his particular group. The average wage for productive labour for a 44-hour week is £4.15.0 per week which is very satisfactory when taken over a period of twelve months. I have often been asked why it is that the factory has been singularly free from labour troubles, and the answer is largely due to the fact that each employee is given the opportunity to earn a living wage.

In addition to the wages which are earned by an employee, he is also entitled to participate in the Nuffield Benefaction.

Under the terms of a trust created by Lord Nuffield, the dividends derived from 1,000,000 units of Ordinary Stock in Morris Motors Limited are annually distributed to the employees of the Company and its subsidiaries. The scheme is worked out on a basis of length of service, and an employee qualifying for the full amount due, would receive something in the region of £10. This figure, of course, depends entirely upon the dividend which is declared, and so each man is intimately concerned in the prosperity of the Company.

There is also another scheme which is called the Morris Employment Benefit Scheme, and which acts as a life insurance. A free certificate of insurance is issued to each employee earning under £400 per annum who has completed six months' service, and this provides in the event of his death while in the service of the Company for the sum of £100 to be paid over to his widow. Staff employees are not eligible to partake in the distribution of the Nuffield Benefaction, but they have their own Staff Pension Fund; it is a condition of employment that male members of the Staff shall belong to this fund.

Members' contributions are at the rate of 5% of the actual remuneration paid to them, to which is added an equivalent contribution by the Company. At the end of each year the net annual income of the fund is credited to the account of each member, and at the age of 65 years a member is entitled to a pension proportionate to the amount standing to his credit. All workers in the Morris organisation receive payment for holidays on the following basis:

Workers with service over five years; two weeks holiday money.

Workers with service over one year and up to five years; one weeks holiday money.

Workers who have not completed one years service are credited for each full weeks work performed with a sum representing 1/50th of the appropriate day time rate.

In addition, staff employees are allowed full pay while absent on sick leave for 13 weeks, and after that period has elapsed, each case is judged on its merits. The system of holidays with pay is one which is rapidly becoming popular throughout the country, and there seems no doubt that in the course of time legislation will render it compulsory for all employers to grant holiday pay. This Company can be regarded as one of the pioneers in this movement, for it has now been in operation for some years and has been deeply appreciated by the work-people.

An Athletic Club is in existence for the benefit of the workers, the subscription to which is 2d. per week for the male staff, and 1d. weekly for female staff and youths under the age of eighteen years. Facilities are provided for practically every form of athletic sport, and in addition the Company has built and equipped a magnificent club-house costing £30,000, which is exceedingly well patronised. The Sports Grounds are large and beautifully laid out, and there is also a swimming pool and gymnasium. During the winter months, concerts, whist drives, dances, debates and lectures are held in the large hall, which is fitted with a stage complete with dressing rooms. The Dramatic Society produces each year two plays and the standard of acting is extremely high.

In the factory itself is a canteen which caters for all those who wish to have their mid-day meal at the factory, and it is particularly emphasized that the canteen is open for those who care to bring their own food, equally as much as to those who wish to buy their meal. A very satisfying meal can be obtained at a cost of 10d. and twice a week lunch time concerts are given by the Works Brass Band. This band is composed entirely of employees, and unlike most works' bands, every member of it has a definite job of work at the factory. The band has regular broadcast engagements, and is recognised as one of the twenty senior bands in Great Britain.

The employees also have their own magazine, the "Morris Mirror" which is a really high class production. This is sold at a price of 1d. per copy, but the proceeds of the sales are devoted to benevolent funds attached to the Works, the Company bearing the entire cost of production.

There is also a Provident Fund run on a contributory basis to provide sick benefit for employees and a Savings Bank to encourage thrift.

A great deal of thought has also been expended on the question of juvenile labour. No boy or youth is engaged for office or factory, unless it is pretty certain that there will be an outlet for his activities when he reaches a mature age. Every encouragement is given to boys to further their technical education, and prizes are given for good results. Boys and youths are paid on a flat rate, which increases yearly with their age until they attain the age of 22 when they are placed on the adult scale. From the foregoing it will be seen that the policy of the Company is:—

- (a) To provide the worker with conditions which will enable him to produce the best possible results and at the same time to attain the maximum amount of pay.
- (b) To provide for his leisure hours by giving adequate facilities for recreation.

The principle underlying this policy is that it is an employer's duty to see that his workers are happy, not merely from altruistic motives, but because he knows that a happy man is going to produce better work than a discontented one.

The greatest factor which the average working man has to fight against is fear; fear of losing his job, fear of ill-health, fear of old age and its attendant possibility of being thrown on the industrial scrap heap.

By the methods which Morris Motors have employed, they have endeavoured to combat those fears and to give to their workers a sense of security.

THE BRITISH LABOUR PARTY AND INDUSTRY

By the Rt. Hon. J. R. CLYNES, M.P., P.C., D.C.L.,
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 of Commons in First Labour Government*

THE object of this essay is mainly to describe and inform, and is not an attempt to argue the case for the British Labour Party or the Trade Unions in England.

The Trade Unions are approaching a maximum of strength and are nearly at the highest level ever attained. The membership figure is now nearly six millions. A lower total is included in the political Labour Party but that is mainly due to a change in the law of 1927 which requires people who wish to join the Labour Party to sign a form to that effect, and Contract In to secure a legal right to pay a political contribution.

In no other country is the basis of working class organisation—whether political or Industrial—quite the same as in England. In England Labour has not, as in some other countries, organised on a distinctly class basis or on a religious or denominational basis.

Men and women of several different classes, rich and poor, are members of the Labour Party, and are included in its Parliamentary Body in the House of Commons. Some few of them form also a small Labour group in the House of Lords. They stand for the political expression, and for the Parliamentary programme of organised labour.



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RT. HON. J. R. CLYNES

In the Trade Unions there is, of course, a class basis in the sense that men and women who join these Unions must be occupied in their various trades and, therefore, membership is limited to groups of wage earners mainly in the manual working class.

The political and Industrial bodies work very well together, and are joined up with a third arm of the movement—namely the Parliamentary Labour Party. A National Council exists to bring representatives of the three forces together, and they meet frequently during the course of a year. The National Executives of the three forces sometimes meet in like manner to deal with questions of exceptional importance.

The results from this method justify the course which we follow, and our method is in keeping with the sense of personal freedom inherent in the British character. That sense of freedom is displayed in this country now and then when even large groups of non-Union men cease work. Strikes are not limited to Trade Unionists.

Few people are aware of the range and variety of membership in a General Workers' Union. Hundreds of different occupations and groups of workers are covered in one society, but the Unions contrive to give effective and separate attention to each group, and sometimes even to an individual member.

The very large groups are known and readily recognised. They cover the big divisions of labour as Engineering, Building, Quarrying, Transport and Municipal services. But General Workers' Unions cover also hundreds of jobs whose names are little known, and give rise to some amusement when we hear them. Their interests are not placed in any second category. Their rights are equal to those of their fellow members.

In associations of both employers and employed, there has developed in recent years a new method generally unrevealed for dealing with wage claims and disputes. This method is

expressed through Joint Industrial Councils. These Councils are very little in the public eye.

Millions of workers are, however, affected by their activities. They exist as permanent bodies covering hundreds of different occupations. They have to hold regular meetings, and thereby anticipate and allay much of the feeling which was engendered when joint meetings had to be arranged after friction had begun, or following some tendency to conflict in cases where claims had been presented and discussions upon them delayed.

Labourers and General Workers Unions take an active part in the working of these Joint Industrial Councils. They were once viewed with suspicion, but they are now accepted as very helpful bodies, and are paid for because of the good results accruing from their operations.

Joint Industrial Councils afford high and valuable service apart from the work done by the Trade Boards. The Councils are both National and Regional. The Trade Boards were established by law some years ago. In addition to Employers and Trade Union representatives, these Boards include a few representatives of the State. The Boards have power to fix wages and working conditions, and thereby have improved enormously the earnings of large groups of workers in many trades commonly known as the Sweated Industries.

This machinery for the settlement of working conditions and wages is not limited to the members of the Unions. If it could be so limited, the Union membership would very likely be doubled. For it is true that these Councils and Boards operated on the workers' side by Trade Union officials and members cover about double the number of wage-earners compared with the number of Union members.

The National Union of General and Municipal Workers pays about £10,000 a year as fees and expenses for the service of its representatives acting upon these bodies all over the

country. That sum of money probably saves to the Union several times the total expended, and it certainly saves to the Union Members large sums of money which probably they would have lost because of stoppages in disputes did these Industrial Councils not exist.

Experience makes the expert, and the case is rare now where a Trade Union representative is in any sense inferior to the expert on the employers' side in the discussion of workmen's grievances.

Indeed, it may be said that there are many cases where the Trade Union expert displays a wider range of knowledge of the business under discussion than many an employer or the head of a State Department who may be responsible for conditions in Government services.

I do not touch here on questions of leadership or the work of the outstanding personalities who have inspired and guided the organisation of General Workers during the period of nearly half a century. Even their qualities would not have gone far but for the fine service of the rank and file and local branch officers whose names even are unknown. Their work has been the most effective lever in raising the standard of their fellows.

No one can estimate the millions of money added to General Workers' wages as the yield of this common labour. In addition to this, we must remember the results in lighter work; better conditions of toil; greater ease of mind concerning the authority of Employers and a larger sense of both independence and security in the daily task of earning a living.

Women workers are generally unresponsive to Trade Union appeals, though individually women have often revealed a rare enthusiasm and have become effective Trade Union agents. At the lowest ebb, the Unions which have catered for a mixed membership have always found some women among their members.

The total number has varied according to industrial conditions, and frequently because of wage agitations or changes tending to arouse special interest. Many women naturally look upon their employment in factory and workshop as a temporary stage in their life. It may be temporary for the individual, but it is permanent for the class.

Women who do not join a Trade Union tend not only to keep down their own level, but tend also to lower the level for men workers, and also lower the level of their own sisters or the womenfolk in their homes. Women who think that they profit in saving a Union contribution, gain thereby far less than they lose by having helped to depress the household standards of life by which they suffer. With the varied opportunities now open for women to earn wages they ought to take a greater share in the duty of securing stronger organisation to raise the standard for all.

Apart from the high level which they reached during the period of the Great War, women membership of Trade Unions remains very unsatisfactory. My own Union has less than 50,000 women members out of a membership which is reaching a total of half a million.

We may estimate the total of organised women workers following general occupations at about 150,000. That number is apart from the large groups of skilled women workers in the textile trades, electrical services, and in distributive occupations.

The total Trade Union membership in Britain just now is, as I have said, about six million. About four million members are attached to the political Labour Party.

To the British Trade Unions, the greatest event in modern times was the National Strike of 1926. Such a strike was never part of an official Trade Union plan. It happened. It happened because a few million Trade Unionists were so incensed at a million miners being locked-out to enforce on them a further wage reduction that a strike was induced by the gen-

eral sympathy in the country for men who were resisting intolerable conditions. The strike lasted only about nine days, but as a lock-out of miners after other workers had returned, the lock-out dragged on for months.

Shortly before the stoppage came to an end, Mr. Baldwin, then Prime Minister, broadcast an important speech. He said that the strikers must surrender unreservedly, but that the Government would see to it that they should not be victimised afterwards, and that every effort would be made to give fair terms to the miners.

From the first day of the strike, we who were officials of the great Unions had been trying to find some ground for negotiation and a return to peace, with honourable terms for the miners. Our efforts were crippled not so much by the attitude of the Government, though that was provocative enough, but by the obstinacy of the miners' representatives. They would discuss nothing, consider nothing, hear of nothing save a continuance of the strike.

We had come to a parting of the ways. The miners' executives would not consider peace by compromise, either then or in the future. The Government was by this time in an unassailable position. The men's leaders knew that victory for the strikers had become impossible. They refused to keep men out any longer in a hopeless battle.

The General Strike cost the nation in Unemployment Pay half a million pounds only, owing to the far greater contributions made by our Unions in the form of strike pay. But the cost to our national trade was very serious. For many months, great numbers of strikers were unable to find jobs. On May 1st, 1926, just over a million people were receiving Poor Relief, but two months later the number had risen to nearly two and a half millions. Unemployment rose similarly.

The Miners' Federation, in due course, could fight no longer. It was exhausted. The various mining districts were

advised to get the men back to work with as little punishment from the masters as negotiation could obtain.

The men took whatever pay was offered and went below ground again. Most of them had to work longer than before, for less money. Many were half-starved. They had to put up with it. They were used to starvation, most of them.

Perhaps in no country in the world could such an industrial stoppage have taken place with as little disturbance to normal life and with scarcely any violence or lawlessness as occurred in this case. Foreign observers were amazed and could not understand, for instance, that while the strike was on, football matches in a few places were organised between policemen and the strikers!

The Communists in England have never been strong, and after years of endeavour they remain an impotent body. Though small, they are active. They rely in some degree on outside aid. They have never had to shoulder responsibility with regard to practical or administrative work. My own Parliamentary Division is a typical working-class community. A few years ago, a Communist opposed me at a General Election. He polled 400 votes against my 27,000. The Communists have faced a like fate in many other contests.

It was natural upon their advent that their habit of mind should be regarded with forbearance and sympathy. We could not share their beliefs, but we did not join in the shout against them. We hoped that they would go their own way and preach their own gospel.

Our toleration has not only been misplaced but wasted. The Communists have treated the Labour Party as though it were the workers' worst enemy. In their publications and speeches the Labour Party has been assailed as though it were a paid creature of the capitalist forces or a secret agent of some Tory organisation.

We can praise their good intentions in relation to human

suffering, and we understand their purpose with regard to social and economic reconstruction. Nor are we moved to protest merely because of their sustained vilification of men who for a generation have been toiling hard to lead the workers towards the goal of liberty and justice both at home and abroad.

Our Party has been built up after hard and continued service, and thousands of us have worked for a generation to forge a political weapon with which we are convinced social reconstruction can be won, and the national life saved from the wrong and suffering which unrestricted capitalism involves. We are on the threshold of success. We have created a new type of political outlook. Millions of people with no former guidance other than party prejudice and no spirit of leadership beyond the colour of their side have been transformed from the useless partisans of Liberal and Tory organisations into enlightened and conscious fighters for a new social and industrial era.

Friendly phrases such as "We are all working for the same end" and "The Communist is the left wing of the movement" obscure the issue. A Communist is no more a left wing member of the Labour Party than an Atheist is a left wing member of the Christian Church. An advance guard to any movement must work in the spirit of that movement, believe in its method, and at least refrain from trying to cover its official representatives with disgrace.

Labour would use Parliament for constructive purposes, and not merely to destroy or agitate. The Communist method is diametrically opposed to the Labour method. Elected institutions operating through democratic forces and resting upon the consent of the people have been the hope and ambition of democracies for generations. For centuries this country has had some semblance of a Parliamentary system, but only in recent years has it developed into a representative institution.

We have secured in Britain an elective system which probably Russia will develop in some future generation. If revolutionary tendencies in Britain destroyed that system the revolution would not give us freedom or advance. It would give starvation and our dependence for food upon the outside world would so deepen the famine which our people would endure that it would last long after the final trace of the revolution had disappeared.

In countries where no democratic weapon exists a class struggle for the enthronement of force may be condoned, but in England where the wage-earners possess 90 per cent of the voting power of the country, agitation for some risky class dictatorship would be futile and dangerous. Our work is, therefore, the work of conversion and not coercion. We must advance by consent and gather force which will endure for the reason that people have signified their approval of our conceptions of national law, international relations, and social needs.

The organisation by any one class of forms of force outside a Parliamentary system provokes and invites a corresponding organisation of force by other classes. That makes not for prosperity or settlement, but for friction and conflict. The war so begun becomes not a fight to eliminate suffering or wrong. It becomes a civil war, and cruel and ruinous conflicts between classes and interests take the place of peaceful co-operative action.

The revolutionary who sees in the operations of democratic machinery nothing more than a postponement of working class emancipation must inevitably regard the Labour Party as an enemy. He must in faith to his own beliefs do everything to disintegrate and discredit the party guilty in his eyes of such a postponement. The Communist Party has cunningly observed these considerations, and has done everything in its power to reduce the credit of the Labour Party.

If government by agencies of fear operating through the force of an army and symbolising the dominion of a wealthy class over the poorer class is indefensible tyranny, it is no less tyrannical when the dominating class calls itself the proletariat and employs the same instrument which it violently denounced when employed by others.

Reflect for a moment on the fact that it was Labour men who years ago did the pioneer work in respect to better standards of health, sanitation, factory laws, the treatment of the injured and the aged, town improvements, better schemes of education locally and nationally, and most, if not all, of those efforts made either by voluntary organisation or by Acts of Parliament to enrich and improve life conditions.

The more successful Ministers in recent governments are not the Ministers of ordinary political tradition. The greatest successes have been achieved in the Ministries presided over by men who were brought from outside, and who were not of the ordinary party caste.

It is sometimes said that Labour in Britain preaches a class war. That is totally untrue. Class conflict existed long before we were heard of. If anything, our work has diminished class conflict, and has produced higher understanding, with a spirit of greater toleration.

My country, right or wrong, is an unreasoning and fanatical doctrine. It is in conflict, for instance, with the declared foundational cause for which the Empire entered into and fought throughout the Great War. What was that cause? The enthronement of right—for the sake of right. Labour does not lessen the influence and dignity of Empire when it puts Justice and Manhood before Nationalism or Race, and when it rejects the selfishness and the prejudice which prevents a friendly outlook upon any claim but our own.

Labour men do not love their country less than other men because, for other countries, Labour men show more toleration

than other men sometimes do. They are not less patriotic than others merely because they have a different conception of what patriotism is. Men are not the better patriots because they shout it most loudly, or because they treat the national flag as though it were the special emblem of their clique or party.

Labour is anxious that the Empire should keep the high place of moral influence and prestige which it has won, but in political conditions which are enormously changed the methods change whereby the status of an Empire or the level of its influence can be continued. Imperialism as the factor which symbolises the dominion of the strong over the weak, and which hammers away for its interest with the strong arm of might, finds no favour with Labour, and conceptions of Empire have no doubt suffered in the Labour mind because they have been wrongly mixed up with Imperialist doctrine.

On the great issues of Peace and War, Labour has always been the Party for Peace. We have sought Peace through the machinery of the League of Nations, and the agency of collective action. On the question newly raised relating to Colonies, our Parliamentary leader has quite recently in the House of Commons made our position plain, and said:—

“The Labour Party has repeatedly put forward what they believed was the only possible solution for what was known as the colonial problem. It was the abandonment of the Imperialistic attitude towards colonies and the holding of those territories that could not have self-government on the principle of a mandate, for the benefit of the inhabitants first and then for the benefit of the world. Year after year they have been told that the time was not ripe for discussions to deal with these possible causes of war. Was the time only ripe when war was threatened?”

INDUSTRIAL RELATIONS AND THE MONETARY SYSTEM OF GREAT BRITAIN

By Sir CHARLES MORGAN-WEBB,
Economist of the Parliamentary Monetary Committee

You are a Governor of the Bank of England. I am a Trade Union Official. That is the point we have to face across the table. I am taking from 1921 up to the panel of 1924; I am meeting the industrialists who do not know anything that is in the mind of the Bank of England on the financial policy of the country. They have no knowledge that you are going to interfere, that you are going to restore the gold standard, that you are going to do anything. We met morally the first period of deflation in 1921 when the first step to deflation was taken. We knew that we had to face a heavy reduction in money wages to get a post-war adjustment. We proceeded from 1921 onwards meeting employers across the table and getting that post-war adjustment to a new price. Contracts have been fixed on that new price, new standards have been worked out, men are becoming adjusted to that level of earnings, to everything on the new basis. Suddenly, the whole thing is upset by the steps taken in 1925, which throws every bit of work, which the two parties in industry have done, out of gear. We are faced with rising unemployment, bitter disputes, and a new level of wages to be fixed, without notice, without consideration, without guide, without any indication what its object is. I ask you, Mr. Norman, if industry is placed in a position like that, whether or not you do not think the misfortune of the jam is inevitable?—Minutes of Evidence. Macmillan Commission. 26th March 1930.

NO better demonstration of the intimate connection between the Monetary System and Industrial Relations could be afforded than the personal outburst of one of the most prominent British Trade Union Leaders, Mr.

Bevin against Mr. Montagu Norman, the Governor of the Bank of England, which has been selected for the heading of this Chapter. Mr. Bevin was the Trade Union Representative on the Macmillan Commission, enquiring between 1929 and 1931 into the relations between monetary policy and trade, commerce and employment. Mr. Montagu Norman, the Governor of the Bank of England, has been explaining, as a witness, the operation of the Gold Standard to the Commission.

The attitude of British Labour to the Monetary System, as comprised in Mr. Bevin's statement, can be presented logically in the following series of propositions:—

1. Wages and all conditions of labour are settled in Britain by collective bargaining between employers and employed.
2. Insofar as the results of such bargaining are expressed in monetary terms, it is highly important that the purchasing power of money, as represented on a Cost of Living Index, should be stable.
3. Just as it is a criminal offense, enforced by heavy penalties, for any trader to depart from the standard measures of weight or length, or capacity; so it should be a criminal offense to interfere with the stability and uniformity of the supreme industrial measure of all, the Purchasing Power of Money as a Standard of Value.
4. The Bank of England claims, and exercises, the right, as stated authoritatively in the Cunliffe Report of 1918, to interfere with the stability of the Purchasing Power of Money, as a Measure of Standard of Value.
5. The Bank of England exercised that right and appreciably destroyed the stability of Money and modified its purchasing power as a Measure of Value, by forcing Britain to return to a Gold Standard in 1925.
6. The Bank of England, as Mr. Montagu Norman had explained in his evidence, had no direct contact with the position of industry in the country.
7. The settlement of wages and working conditions after the War involved numerous, difficult and complex negotiations between employers and employed between the years of 1921 and 1924, in the course of which the Trade Unions had to accept heavy reductions in money wages.



Blackstone Studios, N. Y.

SIR CHARLES MORGAN-WEBB



8. The action of the Bank of England, a private institution, having no contact with industry, upset the results of four years' industrial negotiations between employers and unemployed, threw every bit of the work so accomplished out of gear, caused rising unemployment, caused bitter disputes, and necessitated a new level of wages to be fixed.
9. It is intolerable that the whole machinery of industrial adjustment between employers and employed, patiently built up by a century of experiment and legislation, should be thrown out of gear by a private institution, claiming and exercising the right to modify "without notice, without consideration, without guide, without any indication what its object is" the Measure of Value by which every industrial transaction in the country is conducted.

Employers of labour were equally emphatic against the imposition of the Gold Standard on Britain in 1925. The Federation of British Industries, representing the whole of the employers in British Industry, had made a strong protest to the Bradbury Commission in July, 1924, against the contemplated return to a Gold Standard. After proving that such a return would raise the value of the Pound Sterling by 10 per cent, its evidence continued:—

The consequences of thus rapidly raising the real value of our money by 10 per cent would be:—

- (a) serious temporary dislocation of trade and a probable increase in unemployment due to the effect of the certainty of a period of falling prices upon producers, traders and buyers;
- (b) a severe fall in British prices involving serious loss to all holders of stocks of commodities and to all who trade on borrowed money;
- (c) a serious industrial dislocation due to the necessity of reducing money wages by 10 per cent, which would in present circumstances seriously increase the difficulty of maintaining industrial peace;
- (d) a strong probability that a severe check would be administered to export trade since the improvement in the exchange value of sterling would be likely to proceed and to move faster than the adjustment of internal prices;

- (e) an increase in the real burden of the National Debt as a result of revenue falling with prices, while interest charges would remain unaltered.

Thus, there was a remarkable unanimity of opinion on the part of both employers and employed in industry as to the result the change in the Monetary System resulting from a return to a Gold Standard, would produce on industrial relations. The employers, before the event, foretold that it would mean an increase of unemployment, a serious industrial dislocation, a reduction of money wages, and an increasing difficulty of maintaining industrial peace. The Trade Union Representative, after the event, six years subsequently, stated that it had upset the result of four years' negotiations between employers and employed, that it had thrown every bit of such work out of gear, that it had caused rising unemployment, bitter disputes, and the necessity of working out a new level of wages.

As the Federation of British Industries foretold, the monetary policy of the Bank of England in returning to a Gold Standard in May 1925 raised the value of the Pound Sterling by 10 per cent, and administered a severe check on the country's export trade. The coal industry was one of the first of Britain's major export industries to feel the adverse effects of a monetary policy which raised the price of all exports by 10 per cent. Unable to compete in the export market with this added cost to their product, the coal owners endeavoured to lower prices in order to keep their export market, by forcing a reduction of 10 per cent on the miners' wages.

The miners justly retorted that no adequate reasons were forthcoming why their standard of living should be reduced by 10 per cent. Negotiations were protracted, but even the efficiency of British technique for settling industrial disputes could not prevail against the disintegration of the coal export industry produced by the faulty monetary policy recently

adopted. The negotiations failed, and a general coal strike, which developed into the General Strike of 1926, ensued. Thus, less than twelve months after the restoration of the Gold Standard, it had dislocated Britain's principal export industry and caused the greatest industrial strike in Britain's history.

The six and a half years under the post-war Gold Standard (May 1925 to September 1931) was one of the most disastrous periods of British industrial history. Unemployment rose from less than one million to nearly three millions. The world wholesale price-level, on which British export industry is financed, fell by 48 per cent from a level of 179 to 94, and British exports fell to less than 40 per cent of their previous value. The severe fall in the prices of primary products destroyed the purchasing power of the countries exporting such products, and their capacity to purchase British exports.

The culminating disaster was the reduction of the gold reserve of the Bank of England to zero on the 21st September, 1931, on which date Britain was faced with the problem of importing three-fourths of the food supplies needed for her population, and half the raw materials required for her manufactures, with not an ounce of gold available to finance these necessities of her existence.

Obviously a new international currency, independent of the vagaries and the fluctuations of gold, had to be established if Britain was to survive. A Commodity Standard of international currency, based on the necessity of raising the world wholesale price level of primary commodities to a remunerative equilibrium position, and then stabilising international purchasing power at that level when attained, was gradually evolved. Its main principles, methods and objectives were announced in the Ottawa Monetary Report of August 1932, and the Currency Declaration of July 1933. In brief compass, they were:—

The management and control of the British monetary system was taken out of the hands of the Bank of England and placed in charge of the Treasury on behalf of the British Government.

The world wholesale price level was to be raised by monetary action till it ensured a remunerative return to the producers of primary commodities.

This price level must also harmonise the burden of debts and fixed charges to economic capacity.

It must restore the normal activities of industry and employment.

These objectives were to be secured by the provision of an abundance of money at the lowest possible rates of interest, summarised in the phrase "cheap and plentiful money."

The strangling hold of gold on prosperity was to be relaxed, and the status of gold was changed from that of being the sole arbiter of monetary values into that of a commodity to be bought and sold at variable prices in a free market.

An Exchange Equalisation Fund of sufficient strength to finance the trade balances of all nations regulating their currencies with relation to Sterling, and to finance all capital movements from country to country, was established.

The new Commodity Standard was immediately accepted with enthusiasm by twenty-one countries whose export trade had been devastated by the operation of the Gold Standard, and who formed themselves into a Sterling Group conducting their international transactions on the new Sterling Commodity Standard. After four years of intense conflict, the nations of the Gold Bloc abandoned the Gold Standard and informally joined the Sterling Group.

Meantime, President Roosevelt acknowledged the equity and the practicability of the Commodity Standard established by Britain in his famous Declaration of July 3rd, 1933. The passage,—

The United States seeks the kind of a dollar which a generation hence will have the same purchasing and debt paying power as the dollar value we hope to attain in the near future,

contains the best definition of a Commodity Standard of currency that has yet been formulated. A further tribute to the Sterling Commodity Standard was paid when the United States devalued the dollar from approximately one-twentieth to one-thirty-fifth of an ounce of gold, in order to bring it into close association with the international value of the Pound Sterling.

The new Commodity Standard of currency, though regarded at first with intense hostility in financial and banking circles in the City of London, was welcomed by the representatives of industry and commerce. An era of prosperity, which continued uninterruptedly till the middle of 1937, ensued, and secured the adhesion of both employers and employed in industry to the new Commodity Standard. With the return of prosperity, the exceedingly strained relations between Capital and Labour, engendered by the depressive operation of the post-war Gold Standard, were restored to their normal attitude of toleration and co-operation. Since 1931, although the methods and processes of industry have been subjected to numerous strains and transformations, the changes have been effected without any outstanding industrial disputes that could not be settled by negotiation.

The new Commodity Standard of currency, however, provided one issue that might have caused innumerable industrial disputes of great severity. The first sentence of the Ottawa Monetary Report is as follows:—

A rise throughout the world in the general levels of wholesale prices is in the highest degree desirable.

This theme of rising wholesale prices to a position of equilibrium to be stabilised when attained, is repeated with great frequency in the two pronouncements in which the principles of the Commodity Standard are embodied. The Trade Unions, as the representatives of Labour, took the attitude that if the artificial raising of world wholesale prices by the operation of

monetary policy resulted in a rise of the internal Cost of Living Price Level, money wages must rise to compensate for the extra cost of living.

The British Government was therefore confronted with the extremely difficult and delicate task of so adjusting its external and its internal monetary policy, that externally it would succeed in effecting a considerable rise in wholesale prices, while internally it must prevent retail prices from rising to an extent that would upset wage agreements. The degree to which it succeeded in that task may be judged from the following figures for the period, 1932 to 1937:—

Rise in World Wholesale Price Level.....	39 per cent
Rise in Cost of Living Price Level.....	11 per cent
Rise in Wage Level.....	9 per cent

A rise in the World Wholesale Price Level of 39 per cent was achieved at a cost of a net rise of 2 per cent only in the Cost of Living measured in terms of money wages. That two per cent was due to the time-lag elapsing between the rise in prices and the compensatory rise in wages. Since October 1937, the Cost of Living Price Level and the Wage Level have tended towards a closer association, so that now they are at a practical equilibrium at a level of approximately 10 per cent above the 1932 levels of retail prices and wages.

The manner in which a rise of 39 per cent in the world wholesale price level has produced a rise of only 11 per cent in the retail Cost of Living price level is not entirely due to efficient Monetary Management. It is partly explained by a Memorandum of the London and Cambridge Economic Service on Output, Employment and Wages issued by the Royal Economic Society in September 1938. Using the Official Censuses of Production of 1924, 1930 and 1935, it shows that in the industrial field covered by factory industries, public utilities, mines and agriculture,—

Productivity per person employed increased by 5 per cent in the six years, 1924-30, rather less than one per cent per annum;

Productivity per person employed increased by 20 per cent in the five years, 1930-35, at a rate of nearly 4 per cent per annum.

The two census periods, 1924-30 and 1930-35, do not exactly coincide with the two monetary periods:—Gold Standard, April 1925, to September 1931; and Commodity Standard September 1931, onwards. But the correspondence is sufficiently close to justify their use in explaining the remarkable rise of productivity per person employed from less than 1 per cent per annum in the earlier period, to approximately 4 per cent per annum in the later period. The different rates of productivity are mainly due to:—

The depressive effect of the Gold Standard on industry as a whole between 1925 and 1931;

The deterioration of the personal relations between employer and employed caused by the continuous depression between 1925 and 1931;

The depressive effect on output and on exports caused by the continuous fall in the world wholesale price level between 1925 and 1931;

The stimulating effect of the Commodity Standard on industry as a whole from September 1931 onwards;

The great improvement in the personal relations between employer and employed caused by the gradual return towards prosperity after the collapse of the Gold Standard in 1931;

The greater efficiency of capital equipment resulting from the restoration of better relations between employer and employed;

The stimulus to the export industries caused by the rise in the world wholesale price level.

Thus, the monetary policy of the British Government in causing a rise in external world wholesale prices, while preventing the internal, retail, Cost of Living Price Level from rising unduly, was rendered possible by the hearty co-operation between employers and employed, which raised the productivity per man employed by 4 per cent per annum. The higher costs of raw materials were largely neutralized by more efficient

labour and more efficient use of capital equipment, in transforming those raw materials into finished products, with a resulting small increase in the price of finished products.

The more sympathetic monetary policy of the Commodity Standard secured a greater co-operation between employers and employed, resulting in a rate of increase of productivity four times greater than that attained under the harsher policy of the Gold Standard. It is not the intention of this Chapter to suggest that monetary policy is the sole cause of the improvement of industrial relations, or of the improved output of industry, as between the two periods, 1925-31, and 1931 onwards. The other chapters of this volume show that the technique by which industrial relations are governed is the result of patient experiment, investigation, and legislation, operating for a century or more. But monetary policy has had a vital effect on industrial relations, and it is the object of this Chapter to show the close connection between them.

The cynical revelations of the Cunliffe Interim Report of 1918, in which a Committee of Bankers complacently explained how they deliberately produced trade depression, deliberately effected a reduction of output, deliberately distorted the stability of the purchasing power of money, and deliberately caused unemployment, created a feeling of resentment among the Leaders of Labour that had an inevitable effect in destroying the spirit of co-operation between employers and employed. They felt that the Gold Standard induced a bogus fear of inflation, a craven fear of prosperity, and a drastic curtailment of the monetary supply by which labour was remunerated. This had been suspected by British Labour Leaders during the latter half of the Nineteenth Century. But when it was openly avowed by the Cunliffe Committee, and still more, when it was put into actual operation between 1925 and 1931, the resentment of Labour at the disregard of the needs of industry

by the banking system in its control of money was a severe handicap to cordial relations between employers and employed.

This resentment was removed when in September 1931, the Government took the control of monetary policy out of the hands of the banking system and announced the provision of cheap and plentiful money as the basis of its monetary administration. It further announced that its monetary policy was to be devoted to furthering the needs of trade and industry, particularly in the three directions:—

- the restoration of the normal activities of industry and employment;
- the assurance of remunerative returns to the producers of primary commodities;
- the maintenance of harmony between debts and fixed charges and economic capacity to pay them.

However, it asserted its determination to remove from industry the twin bogies of Inflation and Deflation by:—

- raising the world wholesale price level to a position of equilibrium;
- taking evidence to determine when such a position of equilibrium should be established;
- stabilising the equilibrium position when attained.

This sympathetic monetary policy, making the prosperity of trade and industry its primary objective, is far more conducive to harmony between employers and employed than the harsh repressive policy pursued by the banking system under the Gold Standard. The two sides in industrial negotiations are not now hampered by nervous apprehensions that the results they may achieve may be set at naught by an artificially produced trade depression, an artificial destruction of the demand for commodities, an artificial creation of unemployment, engineered by a banking system in a state of panic, whenever its gold reserves showed a tendency to disappear. They are no longer hampered by obsolete economic theories, invented in an imaginary Wonderland, in which money was denied the reality

attaching to other forms of wealth, and was excluded from any influence on the Theory of Value. The Commodity Standard has introduced into industry an atmosphere of reality, far removed from the imaginary assumptions of doctrinaire economics and finance. In this world of reality, employers and employed are able to discuss their problems in the sure and certain knowledge that their agreements will not be vitiated by the distortion of the Measure of Value by the creation of an artificial scarcity of money.

In one respect the British administration of the Commodity Standard of Money is severely criticised by the representatives of Labour. The Ottawa Monetary Report, the document in which British acceptance of the Commodity Standard was first announced, draws a marked distinction between monetary policy and what is known as pump-priming in the United States, in the following passage:—

It is necessary that the favourable monetary conditions be achieved, not by the inflation of additional means of payment to finance public expenditure, but by an orderly monetary policy.

Representatives of Labour, both in Parliament and in the Trade Union world, deny that any such antithesis exists between monetary policy and public works expenditure. They claim that the "cheap and plentiful money," which is the operating factor of the Commodity Standard, should be applied to improve the social and public equipment of the community as a whole, as well as to enhance the profits of capital equipment under the control of private enterprise. It should serve the provision of those goods and services produced by public administration, as well as help to a better distribution of the goods and services produced by private enterprise. While cordially endorsing and accepting the Commodity Standard, Labour has a suspicion that its capacity to stabilise and improve conditions of employment, unless supplemented by generous

public expenditure, is over-rated. Until it proves its claims to produce a permanently high level of industrial activity, they regard the financing of important public works by expenditure from public resources as an essential constituent of Government's industrial and monetary policy.

The Commodity Standard of Money, Pump-priming and Collective Bargaining between Trade Unions and Employers' Associations, are three different, but not exclusive, methods of approaching the vital problem of the Distribution of Wealth. The United States has been far ahead of the rest of the world in demonstrating the infinite capacity of mankind to produce wealth. But it is not so advanced in the equally important problem of equitably distributing the wealth that can be produced.

The equitable Distribution of Wealth can only be solved with the assistance of a monetary policy designed to give the greatest possible assistance to industry and commerce. Money is the active instrument both of Demand and of Distribution. As the Macmillan Report stated, the true function of a Monetary System is to adjust the capacity of the world to consume and absorb wealth with its capacity to produce wealth. Without such an adjustment, the greater the production, the greater the unemployment; the greater the progress, the greater the social unrest; the greater the plenty, the greater the poverty.

The Commodity Standard of Money seeks to be the hand-maid of industry by providing an abundance of money having a stable purchasing power at a remunerative price-level. It is President Roosevelt's ideal of a dollar, stable in purchasing and debt paying power for a generation, translated into actual operation. It tends to eliminate the tense and bitter atmosphere portrayed in the initial quotation to this Chapter.

Co-operation between Capital and Labour is impossible if their agreements are embodied in terms of money with a fluctuating purchasing power. Both employers and employed in

Britain are agreed that prices, wages, industrial activity, employment and prosperity depend on the sympathetic administration of money in eliminating fluctuations in the price-level, in maintaining Demand up to the full capacity of Supply, and in producing stable industrial conditions.

The Commodity Standard of Money has been in operation for too short a period (since August 1932) for its full possibilities to be correctly estimated. It has yet to prove that it is capable of realising its main objective, namely the adjustment of the power to consume and absorb wealth with the power to produce wealth. But in its short history it has secured the confidence of both employers and employed by creating an atmosphere conducive to harmony and co-operation between Capital and Labour. Never have the relations between these two factors of Production been more harmonious than in the past six years under the influence of a monetary system sympathetic to the requirements of industry and commerce.

British industry has, in fact, been relieved from the despairing fatalism that it must be for ever subject to the vagaries of the Business Cycle. The pledge of the British Government that it will persist by every means in its power to produce a remunerative position of industrial equilibrium, and to stabilise that position when attained, made in the Currency Declaration of July 1933, is accepted as an assurance that the cause of the Business Cycle has been diagnosed, and that its prevention is not only practicable, but it is actively proceeding. The present depression has not weakened the faith that the Business Cycle is being eliminated by the operation of the Commodity Standard. Indeed, the fact that the depression originated in the one major country adhering to the Gold Standard, has confirmed the opinion that it is a legacy of the Gold Standard mentality operating in high places.

The present depression is explainable by the heavy Deflation in the United States between April 1937 and February 1938,

coupled with the tense international situation in Europe for the past two years. The newly-established Commodity Standard of Money has not yet the experience necessary to neutralise two disintegrating factors of such magnitude. But it has considerably reduced the severity of the depression wherever it has operated.

But none of its achievements in the short period of its history can compare with the spirit of co-operation it has inspired between Capital and Labour. The knowledge that industry can produce wealth for all is universal. Indeed it is enshrined in that most paradoxical of all industrial terms,—over-production. But the knowledge that a monetary system has been devised that will effect a more equitable distribution of the immense wealth that can be produced with Capital and Labour working to their fullest capacity, is only slowly percolating into the public consciousness. Such knowledge is an active influence in the industrial negotiations between employers and employed in Britain and is a material factor in creating the cordial relations that exist between them.

BRITISH TRADE UNION ORGANISATION AND METHODS

By HERBERT TRACEY

Publicity Department, Trades Union Congress; and Editor of "Labour."

WHEN Josh Billings said: "Tain't what men don't know that makes trouble in the world; it's what they know for sartain that ain't so," he was not referring particularly to Trade Unionism. The remark had a pretty wide application. But of Trade Unionism assuredly it can be said that a good deal of trouble is caused by people knowing "for sartain" so much about it that isn't so.

There is no better corrective of dogmatic errors concerning Trade Unions than a study of their structure and functions. Motives, aims and powers are frequently attributed to them which an elementary knowledge of Union organisation and policy would suffice to refute. Prejudices and fears which at present impede the development of Trade Unionism among professional workers especially, lose most of their weight, and all their validity, in the light of Trade Union history. Much of the opposition which Trade Unions encounter in their penetration of new fields of organisation is the result of imputing to them the desire to exercise an authority to which they have no title, and to impose a discipline they have no right to enforce in a democratic community.

Thus, a great many people—including probably not a few trade unionists—no doubt believe that the General Council of

the Trades Union Congress can call strikes whenever it has a mind to, in any industry or trade; that it can instruct Unions to pursue a particular line of action in matters affecting their members; that it can dictate a policy to the Labour Party in Parliament; that it can commit the organised Labour Movement to the acceptance of responsibilities it has never contemplated or wished to assume; that it can plunge the millions of trade unionists represented in the Congress into a conflict even with the State at any moment and on any pretext it may choose.

None of these things can the T.U.C. General Council do, either of its own volition or in obedience to the directions of Congress. Those who know the history of Trade Unions or those who have taken the trouble to examine the composition, rules and methods of the Trades Union Congress, understand quite well why none of these things can be done. The fundamental reason is that Trade Union organisation is of a voluntary character, and its action is conditioned by the nature of the associations and relationships it has created among the various bodies of workers. Trade Unionists, whether manual wage-earners or salaried professional workers, or those who practise a vocation of which a wage-contract is not a formal feature (as with doctors or solicitors, for instance) are essentially organised groups that have been drawn together for the furtherance of common interests and mutual support. Common interests bind them together in widening circles with kindred organised groups, and there is practically no limit to the extension of the principle of voluntary association in pursuit of objects which are ever more clearly perceived to be of benefit to all concerned.

How else can one explain the steady growth and the indestructibility of Trade Unionism? The general tendency, since Trade Union organisation began, has been towards expansion. Over long periods, marked by more or less violent economic fluctuations, Trade Union membership grows steadily. In the

worst hurricanes of trade depression it is never entirely overwhelmed. Dictatorships cannot eradicate it by fire or sword. I am guilty here of no rhetorical exaggeration, for in countries where dictatorship exists, Trade Union organisation survives in secret, and the living principle of free association is cherished underground. In democratic countries, although Trade Union membership may fall with the contraction of employment which is the chief visible sign of industrial depression, it begins to expand as soon as economic recovery begins.

The records show a stupendous rise during the war years, reaching a pinnacle of 6,900,000 (in the membership of registered Unions) in 1920; and an equally spectacular fall since to the low level of about 3,350,000 in 1933. This upward and downward movement is still more clearly reflected in the membership of Unions affiliated to the Trades Union Congress: there were over 6½ millions attached to the Congress in 1920, and less than 3,300,000 in 1934.

To appreciate the significance of this tremendous fall, however, it is necessary to bear in mind the convulsive contraction of employment which took place after the war. It must be remembered, too, that the war workers who flocked into the Unions between 1914 and 1919, took the place of trade unionists who went on active service without relinquishing Union membership; there was a statistical doubling of membership, and an inevitable deflation afterwards. Industrial slump, continuing from one year to another, repressed the tendency towards Union expansion. But on the slightest sign of industrial recovery, as for instance in 1924 and again in 1929, the tendency reasserted itself; and for the last four years the upward trend of Union membership has continued at an accelerated pace.

At the last Trades Union Congress at Blackpool, a total membership of 4,460,617 (including over 528,000 women) was recorded—nearly half a million more than in the previous

year. This was the membership of the affiliated Unions at the end of 1937. As the revival is still going on, the actual membership of Congress at the present time approximates 5,000,000. Lost ground is being regained, in fact, at a faster pace than it was lost. More than one Union can report regular monthly increases at the rate of a thousand new members every week.

Growth in members is not the only measure of the movement's recovery. A striking feature of the present position of the Unions is their financial strength. The latest official figures available are those in the report issued recently by the Chief Registrar of Friendly Societies. These relate to 1936. They show an aggregate income of close upon £10 millions (the income from members' contributions having increased by nearly a million over the preceding year) and reserves of over £16 millions. The position today is very much better, both as regards income and reserves.

Trade Union reserve funds, let it be remembered, represent the residue mainly of members' contributions after paying out enormous sums in trade and friendly benefits. The Chief Registrar in his report emphasises the importance of this aspect of Trade Union activities. More than £100 millions went back to members in cash benefits during the 25 years, 1910 to 1935. Trade benefits amounted to £57 millions in this period, and provident (or friendly) benefits to £46 millions. What cash value can be placed upon the work of Unions in wage negotiations, the settlement of disputes and the removal of grievances I will not attempt to calculate: it would run into astronomical figures if one reckoned only the aggregate wage gains of trade unionists in the period.

An important point to bear in mind in discussing British Trade Unionism is that it is a very widespread movement indeed. Over a thousand Unions, of varying size, are known to exist within the British Isles. Less than half of them are

registered Unions. Only one-fifth of them are affiliated to the Trades Union Congress. The number affiliated to the Labour Party is very much smaller still.

As a subject of discourse, therefore, confusion may easily arise if one talks of "the Unions" as if they were all controlled from a common centre and responsive to a common leadership, on industrial matters from the T.U.C. and in politics from the Labour Party. The Trades Union Congress affords representation as a matter of fact, to no more than 216 of the Unions which are known to exist, and the Labour Party affiliates only 73 Unions. But the aggregate membership of the Unions affiliated to the Congress at the end of 1937 was 4,460,617, whereas the total membership of all Unions was approximately 5,851,000; in other words, three-fourths of the entire membership of the Trade Union movement are represented in the Congress. It is, indeed, a fact that 40 Unions embrace 70 per cent of the total membership of all Unions.

The Unions affiliated to Congress are invariably the largest and most representative organisations in their respective industries. Most of the non-affiliated bodies are small local societies, many of them existing with a tiny membership as trade clubs, or provident societies with a restricted range of benefits. No large industrial organisation stands outside Congress. Some large and important organisations of professional workers, however, are not affiliated—among them the organisations of Government employees whose connection with the Congress was severed by the 1927 Act, and the teachers' organisations, including the National Union of Teachers with a membership of over 120,000 out of a total of some 200,000 members of the teaching profession enrolled in about a score of societies.

With three-fourths of the entire membership of the Trade Union movement attached to the T.U.C. one finds, as one might expect, that every type of Trade Union organisation is represented in the Congress. Unions have been classified by

reference both to structure and to functions. In the classification by structure five general types of Union have been distinguished, as follows:

1. Craft organisations;
2. Industrial organisations;
3. Occupational organisations;
4. Employmental organisations;
5. General Workers' organisations.

This was the classification, or grouping, adopted by the T.U.C. General Council when it undertook, a decade ago, a comprehensive investigation of the structure of the Trade Unions, in obedience to a resolution adopted by Congress urging the reduction of the number of Unions to an absolute minimum, and their reorganisation on the principle of one Union for each industry. That investigation brought out very clearly the complexities and varieties of Trade Union organisation; the five types enumerated above by no means include all the known varieties. Classification according to function would furnish an equally complicated pattern. Perhaps the best picture, or plan, map or blue-print, is provided by the grouping of the Unions by the T.U.C. General Council for the purposes of representation in Congress.

Congress is, on this plan, an assembly of 17 trade groups. First comes the Mining and Quarrying Group. Seven Unions are comprised within it, having an aggregate membership of over half a million. Four of the seven Unions, with a membership of about 15,000 between them, cater for colliery enginemen, firemen and deputies; a small union of shale miners and oil workers contains 1,500 members, and a Union of North Wales Quarrymen contains over 8,000 members; but the dominant organisation in this group is, of course, the Mine-workers' Federation of Great Britain, affiliating a membership of over 500,000 to Congress, and embracing 20 constituent

District Associations in which not only coal hewers, but in some districts enginemmen, mechanics and by-product workers are enrolled.

Railway service constitutes the second trade group. It presents a neat appearance in Congress records with three Unions possessing an aggregate membership of over 419,000. The Railway Clerks' Association with a membership of over 62,000, and the Associated Society of Locomotive Engineers and Firemen with 53,000 members are craft Unions which are yet able on most railway questions to make common cause with the big industrial Union, the National Union of Railwaymen, with a membership of nearly 364,000, embracing workers of every grade employed by the railway companies.

The third trade group, comprising the Unions concerned with transport (other than railways), presents a less tidy appearance. There are nine Unions in this group, including the National Union of Seamen with 50,000 members, five smaller Unions catering for carters, coal trimmers, ships' engineers and firemen, and navigating officers, with a total membership of about 23,000; and the giant Transport and General Workers' Union with a membership of 611,000. There are more Unions in this section of industry than are affiliated to Congress, but the affiliated Unions comprise the overwhelming majority of the organised workers in the transport industry. Just as the N.U.R. can be described as either an industrial Union or an employmental Union, so the Transport and General Workers' Union can be regarded as an organisation built upon the principles of craft, industrial and general Unionism.

Shipbuilding constitutes the fourth group, with four Unions comprising about 82,000 members. Among them is a Union of barge builders with a few hundred members. The Union that dominates this group is the Boilermakers' Society with 53,000 members. The little Barge Builders' Union, though

its membership is under 400, is, nevertheless, practically 100 per cent organised.

Engineering, founding and vehicle building constitute the fifth group. There are 28 Unions in it, enrolling a total membership of nearly 534,000. The largest Union in the group is the powerful and wealthy Amalgamated Engineering Union; the smallest is the Military and Orchestral Musical Instrument Makers' Trade Society with less than 200 members; but there are also important organisations like the Electrical Trades Union with 58,000 members; the Foundry Workers' Union, and the Vehicle Builders' Union with more than 30,000 and 25,000 respectively; the Patternmakers' Association containing over 11,000 highly skilled craftsmen; and the Union of engineering and shipbuilding draughtsmen, another body of highly skilled workers who are not too proud to be listed along with manual wage earners' Unions.

Nineteen Unions of workers in the iron and steel and minor metal trades constitute Group 6. Two or three big Unions, including the Iron and Steel Trades Confederation with 82,500 members, the Union of Sheet Metal Workers and Braziers with 16,100, and the Blastfurnacemen's organisation with 17,000, give weight to this group; but in it are included tiny Unions of skilled craftsmen—gold and silver smiths, edge tool makers, nut and bolt makers, makers of locks, latches and keys, makers of spring traps and coil springs, and numerous other highly differentiated trades.

There are several important organisations of non-manual workers in this group, the nature of whose functions do not entitle them to affiliation to the T.U.C.; such as the Engineering and Shipbuilding Staff Workers' Alliance and the Associations representing Managers and Foremen in certain of the metal working trades; there is an engineering guild, and a Union of Scientific Workers, too, which have established rela-

tions with these non-manual organised groups in the metal trades.

Group 7 is constituted by 19 Unions comprising over 353,000 workers in the building, woodworking and furnishing trades. Leading them is the Amalgamated Society of Woodworkers with 129,000 members, followed by the Amalgamated Union of Building Trade Workers with 60,000 members, and the National Amalgamated Society of Painters and Decorators with 42,000. But there is room in this group for a society of 500 members representing the Sign, Glass and Ticket Writers, and another society of 1,000 members representing the French polishers in London, to say nothing of Unions for plasterers, plumbers, paviors, upholsterers, packing case makers, coopers and so forth.

The printing and paper trades constitute Group 8. There are 13 Unions in it with an aggregate membership of over 178,000. Compositors, correctors of the press, lithographic artists, electrotypers and stereotypers, paper makers, type-founders and even press telegraphists find their place in this group; but not the National Union of Journalists—the only considerable Union of workers connected with print and paper that is not affiliated to the Congress. The Union of Press Telegraphists with 500 members is the smallest of the group. The Union of Printing, Bookbinding and Paper Workers with 65,000 members is the largest.

Group 9, composed of 50 Unions covering the cotton textile trades, might seem to the casual observer to be a group afflicted with too many Unions. Trade Unionism in the cotton industry, however, is a pretty tough growth, and the suggestion of weakness conveyed by the existence of 50 Unions disappears when it is realised that they are local craft Unions which are united in powerful craft “amalgamations,” and these latter are further combined in trade federations. Thus there is the Amalgamated Weavers’ Association with nearly 100,000

members, the Amalgamated Association of Operative Cotton Spinners and Twiners with nearly 32,000, the Amalgamated Association of Card, Blowing and Ring Room Operatives with 46,000.

Much the same picture is presented by Group 10 comprising 14 Unions with an aggregate membership of over 110,000 in the textile trades, other than cotton. Numerous small societies, with a membership of a few hundreds, maintain their existence side by side with the powerful National Union of Textile Workers, recently enlarged by amalgamation with the organisations of bleachers and dyers to a membership of about 82,000. Managers and overlookers as well as operatives are organised in this group.

The clothing trades, with eight Unions, comprising a total membership of about 107,000, form Group 11. The Union of tailors and garment workers with about 82,000 members is the largest Union, and the Union of waterproof garment workers, with about 1,900 members, is the smallest, with local Unions of hosiery workers and makers of felt hats making up the remainder of the group. There are six Unions, with an aggregate membership of over 105,000, covering the leather and boot and shoe trades which constitute Group 12. Among them the National Union of Boot and Shoe Operatives with a membership of over 85,000, bulks large.

In the next group, too, Group 13, comprising the Unions of workers in the glass, pottery, chemicals, food, drink, tobacco, brushmaking and distributive trades there are small Unions, subsisting side by side with large ones. A little Union of London Jewish bakers, 120 strong, and two or three glass-workers organisations, none of them a thousand strong, maintain their identity alongside the two big Unions of distributive workers, the National Union of Distributive and Allied Workers, with 171,000 members, and the National Amalgamated

Union of Shop Assistants, Warehousemen and Clerks, with 34,000 members.

Agriculture constitutes Group 14, an industry by itself, with one Union, the National Union of Agriculture Workers containing over 40,000 members—not only farm workers, but nursery and horticultural workers, market gardeners, sports and pleasure groundsmen and smallholders. The Transport and General Workers' Union has also a section for agricultural workers.

Over 70,000 public employees organised in five Unions constitute Group 15. They include women public health officers, county officers, the nurses in mental hospitals and institutions, and fire brigades. The biggest organisation amongst them is the National Union of Public Employees with over 40,000 members. These Unions do not, of course, cover the whole field of Trade Union organisation among the workers in local government service. A very large number of those employed in gas works, water works, electricity works, tram and bus services, and many non-trading departments, are organised in the National Union of General and Municipal Workers, and the Transport and General Workers' Union, in the Electrical Trades Union, and other Unions. Group 15 is composed rather of Unions of administrative professional, salaried employees of local public authorities.

Group 16 is another group of seven Unions catering for non-manual workers. Their aggregate membership is over 82,000. Among them is the National Union of Clerks and Administrative Workers, with a membership of about 12,000. Large numbers of clerical workers are, of course, organised in other Unions—for instance, the Railway Clerks' Association, which is not listed in Group 16. There are clerical workers, too, in the two Unions catering for the employees of insurance companies. There is an organisation of women clerks and secretaries with a membership of over 2,000 which started its career

as a Union for shorthand writers and typists. In this group also there are Unions for film artists, and for theatrical employees. Not in it yet is the vigorous and influential Union of actors and actresses, music hall artists and other performers in public entertainment, called British Equity. This is as much a Trade Union as the National Union of Clerks; so is the Medical Practitioners' Union with a membership of over 5,000, now in this group.

Last of all the groups is Group 17 comprising one great organisation of general labour—the National Union of General and Municipal Workers, with 407,000 members, and two very much smaller Unions, one of laundry workers, and the other of salt workers. Other Unions listed in other groups enrol general labour, and organisation of this class of worker extends laterally through most industries and trades. For many years the general labouring mass was regarded as unorganisable. Craft Unionism was long established, and powerfully organised before any general labour Union appeared on the scene. These organisations of general workers have become powerful and influential factors in the development of modern Trade Unionism.

This highly condensed description of the 200 and more Unions forming the Trades Union Congress will perhaps serve to show the wide ramifications of industrial organisation. There is no industry or trade or profession into which Trade Unionism has not penetrated, and most industries and trades are represented in the Trades Union Congress.

Reference has been made to the organisation, machinery and methods by which the Trades Union Congress carries on its work. A description of this apparatus will provide a convenient summary of what has been said about the place of the Congress in the Labour movement, and will perhaps serve also to show without further argument both the functions of Congress and the range of its activities.

Congress has existed for over seventy years as a deliberative assembly, meeting normally once a year, in the week beginning with the first Monday in September. It is constituted by the delegates of affiliated Trade Unions, vested with power to vote, in direct proportion to the number of the membership they represent; that is, one delegate for every 5,000 members (or fraction thereof) and one vote for every 1,000 members or fractional part thereof. The vote of a Union delegation is its "card vote" which is customarily used only in divisions upon important questions of policy when voices in Congress demand it. Congress votes by the ballot method in the annual election of its General Council, fraternal delegations, and its General Secretary—the latter not having to submit himself for re-election every year.

The authority of Congress and its "legislative powers" are conditioned by the autonomy of the affiliated Unions, by the voluntary character of their association with the Congress, and by their solidarity as integral units of an organised and disciplined movement.

Between the annual assemblies, the authority of Congress is concentrated in its General Council. This is an elective body of 32 members, each nominated by the Unions comprised within one or another of the 17 groups into which they are divided for this electoral purpose and some other purposes. The machinery through which the General Council discharges its functions and responsibilities is elaborate, because the Council's work is nowadays much more than merely to give effect to resolutions of the Congress. The initiative has to be taken by the Council on a great variety of questions; perpetual vigilance is necessary to safeguard the movement's interests; and the Council and its officers are required to keep themselves continuously informed of developments in public policy, the activities of Trade Unions, industrial and economic trends, and

matters of legislation, both national and international—including the work of the International Labour Office.

The machinery at the T.U.C. headquarters is designed to enable the General Council to execute these important duties. Its principal feature is a system of standing committees. There are eight of these, composed exclusively of members of the Council, with officers of the Council attached to each, comprising

1. Group Committees
2. Finance and General Purposes
3. Disputes
4. Education
5. Organisation
6. Social Insurance
7. International
8. Economic

In addition to the standing committees there are a number of joint committees through which the General Council maintains constant contact with the political side of the movement and with other organised activities. These include the National Council of Labour, the Trades Councils Joint Consultative Committee, the Non-Manual Workers' Advisory Council, the Joint Committee on Workmen's Compensation and Factories, the Standing Joint Committee of Industrial Women's Organisations, the Joint Industrial Assurance Committee, and the National Women's Advisory Committee. There are a number of other bodies with which the General Council maintains relations, such as the B.B.C. Adult Education Committee, the Workers' Educational Association, the National Council of Labour Colleges, the Universities' Extra-Mural Boards, the National Advisory Council for Juvenile Employment, the League of Nations Union, the Railway Rates Tribunal, the

Railway Wages Board, the Governing Body of the I.L.O. and so on.

The functions of these various bodies are fairly clearly indicated by their titles. On several of them—for instance the I.L.O. Governing Body, the Railway Rates Tribunal, the Railway Wages Board—the Council's representation is of a statutory or quasi-statutory character, an integral feature of their constitution which requires representation of the organised wage-earners through the T.U.C. The complete list is an excellent illustration of the variety and range of the General Council's activities. These standing committees, joint bodies, and special *ad hoc* committees set up to deal with specific subjects, cover pretty well all matters with which the Trade Union movement has any concern.

Attached to the Council's committee system are the headquarters departments. To describe these departments in detail would take up too much space. It will be enough to say that the International department, for instance, keeps the Council continuously in touch through its appropriate committee with international affairs, including the work of the International Federation of Trade Unions, and the International Labour Office; the Social Insurance department, working through its appropriate committee, deals continuously with multitudinous questions arising from the operation of the National Health and Unemployment Insurance machinery, the approved societies, and every other aspect of the now widely extended system of social protection which the T.U.C. has fostered and promoted through legislation and governmental administration; the Research and Economic department, with the headquarters library connected with it, serves the entire organisation of the T.U.C. with information, statistics, fact-finding investigations and counsel in framing economic and industrial policy.

In the normal way, the General Council meets regularly once a month, always on the fourth Wednesday in the month.

The standing committees and joint bodies also have regular meetings, and their deliberations and conclusions upon the matters with which they are commissioned to deal are embodied in reports which form the principal items of the General Council's monthly agenda. The Council, by this method of subdivision and allocation of subjects to various committees, is thus placed in possession of the material upon which to base its decisions. The several departments at headquarters, under the direct control of the Congress Secretary (Sir Walter Citrine), are closely associated with the particular committees dealing with their special subjects. And the responsible officers are linked through their committees with the Council, in its monthly survey of their field of work. Departmental conferences under the chairmanship of Sir Walter Citrine keep the departments in touch with one another, in addition to the natural connections and interchanges between them every day, and provide the opportunity for explanation of the Council's standpoint on matters of policy to guide the departmental officers in their work.

This description of the General Council's organisation and headquarters machinery affords the key to the bulky report which the Council submits every year to Congress. This report, dealt with in Congress paragraph by paragraph, is sectionalised: the sections correspond with the arrangement of the committee system and the distribution of specific responsibilities among the departments; and the report as a whole forms a comprehensive and minute account of the year's work. Everything that Congress has decided or suggested, everything that the Council has done in accordance with these "directives" or on its own initiative, everything that the T.U.C. headquarters has done to give effect to the Council's decisions, is on record in this report.

"Look for it in the files" is one fairly good answer to all questions concerning the Trades Union Congress and its Coun-

cil. The T.U.C. headquarters spares no effort to keep affiliated Unions informed of the Council's doings. Apart from the "releases" made as a matter of routine by the Press and Publicity Department, and the official publications for which it is responsible, there is a regular half-yearly survey and summary written by Sir Walter Citrine which goes to all the Unions. And within fourteen days of the conclusion of each year's Congress there is the full annual report ready for circulation, and published to the world. The long row of these annual volumes constitutes our library of reference. The social and industrial history of three generations of trade unionists is concentrated in them. The voices of the pioneers of Trade Unionism whisper in the turning of their pages. Names that the organised wage-earners hold in veneration catch the eye. Great events in working class history find their explanation and justification in them. Those who want to know more about the T.U.C. can find it "in the files."

The prime function of a Trade Union is, and always has been, Collective Bargaining. Trade Unions are so indissolubly associated in the public mind with trade disputes, with strikes, industrial disturbances and even social turmoil, that the important part played by Trade Union organisation in preventing these manifestations of economic maladjustment and class conflict is apt to be overlooked. Where there is industrial trouble many people look for a Trade Union at the bottom of it, much in the same way as the sleuth in detective fiction murmurs "*Cherchez la femme*" over the corpse on the library floor. The machinery of negotiation maintained by the Unions for the settlement of disputes and the adjustment of differences between employers and workpeople runs as a rule so smoothly and efficiently that its regular functioning is not perceived; and its high social value as a means of keeping the wheels of industry turning with a minimum of friction is frequently not appreciated.

How necessary this machinery is would quickly become apparent if it were to be destroyed or seriously impeded in its operation. Industry, trade and business would soon be brought to a standstill by minor difficulties becoming magnified into major causes of conflict, and by localised disputes becoming general. Continuity of the economic processes which sustain the life of the community would be broken, and the most rigorous coercion could not keep them going with the fullness, speed and regularity required under modern conditions. Collective bargaining by Unions on behalf of their members preserves that continuity by building up a system of national agreements embodying standards of wages, working hours and conditions of employment, which can be varied as circumstances justify, without bringing the industry, trade or business concerned to an abrupt stop whilst new arrangements are considered.

Collective agreements, covering very large industrial groups, applying to many thousands of workpeople in a common employment, exist to testify to the diplomatic skill and negotiating experience the Unions have acquired in the practice of this technique. They cover practically the whole field of industry, trade and business. They regulate wages and conditions of employment for many millions of wage earners, and they are the outcome of a purely voluntary activity, owing very little to the intervention of any outside authority. Between them the Trade Unions on the one hand, and organised employers on the other, have succeeded in working out a method of settling the terms of collective wage contracts and prescribing general conditions of employment by direct negotiation, and without the intervention of any third party. The element of compulsion is lacking in most of the agreements resulting from the practice of collective bargaining: acceptance of the terms embodied in them is a matter of commonsense and goodwill between the two parties, and there is only a limited

field in which agreements reached by negotiation between the voluntary associations representing employers and workpeople are legally enforceable in the trades to which they apply. Legal sanction is given to wage rates in the trades to which the Trade Board legislation, for instance, applies, and in one or two instances where minimum wage legislation has been adopted; but broadly speaking collective bargaining has produced a wonderful array of agreements which are not contracts in the legal sense—that is, they are not enforceable in law courts. Even those wage determinations which are made legally binding under the Trade Board Acts, and the Agricultural Wages Boards system, are most frequently arranged first by Trade Union methods of collective bargaining.

Nothing that concerns the workers in their employment lies outside the scope of collective bargaining. Every matter affecting the relations of employers and workpeople, rates of wages, overtime payments, working hours, shifts, night work, weekend work, travelling time, entry to the trade, grading of labour, annual holidays, dismissals, discipline, even workshop management, have been brought within the ambit of Trade Union action and influence in the course of years. An important feature of collective agreements is the provision they make as a matter of course, for settling disputes arising from their application, and frequently for their revision and renewal.

Collective bargaining, that is to say, is a method not only of fixing conditions of employment, but of changing those conditions from time to time with a minimum of disturbance and delay. The machinery of negotiation, from this standpoint, is extraordinarily flexible. No legal system could conceivably equal it, and the State, in this country at any rate, has wisely not attempted to interfere where the voluntary system of collective bargaining covers the ground.

Intervention by the State has come generally where organisation among employers and workpeople is feeble or incomplete;

or where direct negotiation between the parties immediately concerned fails to produce a settlement, and some form of conciliation or arbitration is called for to prevent a complete deadlock. Resolute in their opposition to anything in the nature of compulsory arbitration, the Trade Unions have not been hostile to the development of additional machinery for purposes of conciliation or arbitration in trade disputes. One of the earliest of the Trades Union Congresses, the third at Nottingham in 1872, framed a Bill to extend the application of the principle of arbitration under Government auspices. This aspect of the subject has a long history, and Trade Union leaders have played an honourable and distinguished part in developing the statutory machinery which supplements and strengthens the voluntary system of regulating the relations of employers and workpeople, and effecting the settlement of disputes between them.

Legislation produced in due time a permanent industrial court as part of the State machinery for assisting the maintenance of order in industry. But neither Parliament, nor the Government, have ventured to depart widely in such legislation from the view that the practice of collective bargaining on a voluntary basis is preferable to every other method of regulating the conduct of industry. Mediation between the parties may be necessary at times if direct negotiations fail. It is then that the machinery of conciliation or arbitration, controlled by the Ministry of Labour, reveals its usefulness. But the procedure by which a dispute which fails to find settlement in the ordinary way is referred either to the Industrial Court, to an arbitrator, or a Board of Arbitration, is, in fact, no more than a development of the voluntary system. The findings of an official conciliator, or of an official tribunal, under the Industrial Courts Act, await voluntary acceptance by the parties concerned; neither side is bound to accept such findings; the essential relations of the two parties involved in the dispute,

whatever its nature, and whatever the solution proposed from outside, remain unaltered, and the effectiveness of the voluntary machinery they have mutually agreed to establish and maintain, continues with its usefulness unimpaired.

Nowhere, indeed, is there a more striking vindication of the principle of voluntary association than in the Trade Union practice of collective bargaining. But T.U.C. records bear witness to the vigilance that has been necessary to safeguard the practice of collective bargaining, and to preserve its fundamental character when Parliaments and Governments have unwisely attempted to intervene between the voluntary organisations of employers and workpeople.

Organisation of the wage-earners has profoundly affected both the political and the economic history of the country. It has been a potent influence in shaping the course of social policy, for more than two centuries. A mere summary of the Acts of Parliament for which working class organisation has been directly or indirectly responsible would fill a considerable amount of space, even if we dealt only with those placed upon the Statute Book in our own lifetime. Rather than attempting such a summary, it will, perhaps, be more useful to try to describe the political, industrial and social changes which history attributes to the action of organised Labour.

One important group of Acts relate to the struggle by which the right of combination has itself been established and extended. Trade Unions today are in possession of powers, functions and immunities that were for many centuries denied to combinations of working men. Tremendous efforts were made to prolong the legal repression of working class organisation, both by the application of common law and by statute. The Trades Union Congress was itself, in fact, called into existence, over seventy years ago, to meet a determined and dangerous attack upon the right to combine. A whole series of statutes issued from that conflict between the strong and per-

sistent impulse towards organisation of the workers, and the efforts of employers to restrain it. In the course of it, radical alterations were made in the laws relating to conspiracy, the protection of property, the status of corporate bodies, and so forth; changes which would not have been made had not the Unions obtained recognition of the principle that actions which were not unlawful if done by individuals should not be treated as criminal if done by men acting together in voluntary associations.

A second group of legislating measures which have enormously enlarged the power and influence of ordinary citizens are the Acts relating to the parliamentary franchise, local government, the conduct of elections, and the organisation of political parties. All the reform movements which changed the character of the constitution from a system of oligarchic government to modern parliamentary democracy drew their energy and inspiration from the Labour movement. Although the Trade Unions as such were not so closely associated with the agitation which produced the first Reform Act of 1832, the later Chartist movement evoked the active interest of working class leaders. The driving force of the popular movement which produced the second Reform Act of 1867 was supplied by working class organisation. Until that organisation developed, with the growing political consciousness of Trade Unions, about the middle of last century, the party system cannot be said to have existed outside Parliament; great popular agitations—for parliamentary reform, repeal of the Corn Laws, factory legislation, elementary education and the like—were conducted with no such machinery as the modern political parties have created among the electors. Successive extensions of the parliamentary franchise, with the enlargement of the system of local government, and the growth of the party system, are in the main the outcome of Trade Unionism.

A third great group of Acts which owe their origin largely

to Trade Union initiative and guidance embody the system of social insurance. Trade Union and Friendly Society organisation provided the foundation of this system, and also supplied the example which the State was called upon to follow. During the greater part of the 19th century the provident functions of Trade Unions were of immense social importance; nor have they been materially curtailed since the State system came into existence.

The State system originated under Trade Union pressure, beginning with recognition of employers' liability for accidents befalling workmen. The first Act defining employers' liability, passed in 1880, and broadened by subsequent legislation, was the outcome of a demand which was strongly and persistently voiced by the Trades Union Congress in its earliest assemblies. Old Age Pensions, too, were made a living issue in politics by Trade Union agitation; Congress directed attention to the subject and pressed for legislation for the first time in 1896, two years before the committee of experts promoted by the late Charles Booth presented the report which was the starting point of an organised campaign.

National Health Insurance, and with it the beginnings of the system of Unemployment Insurance, constituted another important development of social policy on the lines advocated by Trade Unions. Without Trade Union organisation, indeed, the national scheme of unemployment insurance could not have been set in motion. The machinery of administration for both health and unemployment insurance had to take account of Trade Union methods and necessitated their co-operation. The system today is of tremendous scope, embracing on its health insurance side practically the whole of the industrial population, whilst the unemployment insurance scheme now covers about 14,839,500 workers (including agricultural workers, who came within the scheme in July, 1938) aged between 16 and 65, instead of the 2,250,000 in selected trades to whom the original

scheme applied. Enlargement of the system, now interlocked with widows' and orphans' pensions and with the administration of public assistance, is the result of continuous constructive criticism from the Trade Unions and the Labour Party.

A fourth category in which the influence of Trade Unions has been brought to bear most directly and with decisive effect, less by legislation than by the practice of collective bargaining, concerns the raising of the standards of wages, working hours, and conditions of employment. As a result, wages (that is, money wages per week) are now about four times what they were in the middle of last century, and *real* wages, taking into account movements in the cost of living and the changes in the value of money, are about double what they were in 1850. Working hours conform now generally to the standard 48-hour week, as contrasted with a working week of 60 to 70 hours and often much more. For five centuries, the maximum working day allowed (or rather prescribed) by law extended in summer time from 5 o'clock in the morning until 7 or 8 o'clock at night, and from sunrise to sunset in winter. Throughout the 19th century the Unions steadily sought to lessen the hours of work per day, to raise the age of entry into employment, to provide the Saturday half-holiday, to limit the working hours of women and young persons, and so forth.

The records of the Trades Union Congress are starred, year after year, from the establishment of the Congress in 1868, with demands for legislation on an immense variety of subjects. An exhaustive account would include the whole field of industrial and social legislation. Reference in such an account would have to be made to the progressive development of factory legislation, and to the trade board system. Reference would also have to be made to the measures affecting the practice of collective bargaining and the regulation of industrial relations, including the methods of conciliation and arbitration devolving upon Government departments and including, moreover, the

creation of new departments and Government services which are directly concerned with the activities of Trade Unions and with the administration of the great body of labour laws which Trade Unionism has initiated, influenced and enlarged. And there would still be more to say about the political changes which owe their origin to the Labour Party!

For over seventy years the Trades Union Congress has played an increasingly important part in the development of the Labour Movement's organisation and policy. It has influenced profoundly both the industrial and political activities of the organised workers. The economic and social history of three generations of the working people is written in its records.

Yet the Congress remains what it was when it began—a purely voluntary association of Trade Unions. No Union is forced to join it. Any Union can, of its own volition, withdraw from it. Some Unions have never belonged to it. Several Unions have left it and rejoined it again and again. A few Unions have, on occasion suffered the penalty of exclusion, but have sooner or later petitioned for re-admission. A small number of Unions have sometimes sought affiliation, and it has been denied to them; usually because they are “breakaway” organisations, the product of inter-union dissensions, or those which have claimed to represent a trade or industry already catered for by affiliated Unions.

The Congress is a deliberative assembly, a parliament which can pass no binding legislation. Its decisions on policy or organisation, however wise or timely, cannot be enforced upon the affiliated Unions without their individual consent, still less upon the working class movement as a whole. The authority of Congress is not such that it can exact obedience from any Union or group of Unions. Congress resolutions may “urge,” “warn,” or “call upon” the Unions to do, or not to do, this or that, but cannot “instruct” them on any action whatsoever: a unanimous decision of Congress would not entitle the delegates

who voted it to go back to their Unions and set Union machinery in motion without further ado—only the competent authorities in each Union can do that. The autonomy of Unions, in other words, is not in the slightest degree abated or impaired by affiliation to Congress. The coercive powers of Congress are very limited. Exclusion from Congress is the direst penalty that can be inflicted—and this may be seriously prejudicial only if Unions that have supported Congress in a decision to expel a recalcitrant society should cease to recognise its right to speak for a particular body of workers, and to attack its hold upon them.

In like manner, the powers and functions exercised by the General Council of the Trades Union Congress are conditioned by the character and purposes of the Congress itself. The General Council's activities as an executive body are restricted to its observance of the "Standing Orders" of Congress, and the carrying out of Congress instructions to the Council itself. From time to time the affiliated Unions, by their decisions in Congress, have vested in the General Council specific powers and a general authority to act upon their behalf. But the Council, obviously, can only exercise such authority as the Congress can rightfully impart to it, having regard to the overriding limitation—inherent in the constitution of the Congress as a voluntary association of autonomous Unions—that no matter what Congress may decide, or its General Council may propose, each Union will determine its own action for itself.

Administrative responsibility, of course, rests upon the General Council and the General Secretary of Congress (who is elected by Congress, and is an *ex officio* member of both the Congress and the Council) in respect of the machinery and organisation of the T.U.C. headquarters. This headquarters organisation has been planned and is controlled with a view to the efficient discharge of the duties imposed upon the General Council by the Congress. These duties are defined with some

particularity and precision in Congress "Standing Orders"; with the additional obligation of executing specific or more immediate duties prescribed by Congress from one year to another.

The duties of the General Council are laid down in ten articles, as follows:

- (a) The General Council shall transact the business in the periods between each Annual Congress, shall keep a watch on all industrial movements, and shall, where possible, co-ordinate industrial action.
- (b) It shall watch all legislation affecting labour, and shall initiate such legislation as Congress may direct.
- (c) It shall endeavour to adjust disputes and differences between affiliated Unions.
- (d) It shall promote common action by the Trade Union Movement on general questions, such as wages and hours of labour, and any matter of general concern that may arise between Trade Unions and Trade Unions, or between employers and Trade Unions, or between the Trade Union Movement and the Government, and shall have power to assist any Union which is attacked on any vital question of Trade Union principle.
- (e) It shall assist Trade Unions in the work of organisation, and shall carry on propaganda with a view to strengthening the Trade Union Movement, and for the attainment of any or all of the above objects.
- (f) It shall also enter into relations with the Trade Union and Labour Movements in other countries with a view to securing united action.
- (g) In the event of a legal point arising which, in the opinion of the General Council (after consultation with Counsel) should be tested in the House of Lords in the general interest of Trade Unionism, the Council shall be empowered to levy the affiliated societies *pro rata* to provide the necessary expenses. Any society failing to pay the levy shall be reported to Congress.
- (h) In order that the Trade Union Movement may do everything which lies in its power to prevent future wars, the General Council shall, in the event of there being a danger of an outbreak of

war, call a Special Congress to decide on industrial action, such Congress to be called, if possible, before war is declared.

- (i) The General Council shall have power, whenever it deems necessary, to convene a Special Congress to deal with any contingency that may arise.
- (j) The General Council shall prepare a report of its work for submission to the annual meeting of Congress. The report shall contain a list of the General Council meetings with dates, and also names of those members who were present at such meetings. The Standing Orders of Congress and the General Council shall be published with each annual report of the proceedings of Congress.

These articles, it will be observed, are framed in mandatory terms. They repay examination in the light of Congress history. They reflect the historical tendency towards centralized direction and co-ordinated action of the Trade Union Movement. These Standing Orders are of much wider scope, and more imperative in character than those which guided the Congress and its Executive Council for more than fifty years.

Although the Congress remains essentially a deliberative assembly, it has become, as these Standing Orders show, very much more than the debating society it was for many years. It was called together for the first time in 1868 for a double purpose: first, to deal with the attack that was being made upon the Trade Unions, under cover of an investigation by a Royal Commission, as lawless bodies pursuing their aims by methods of intimidation and violence; and secondly, to provide a forum in which the objects and methods of Trade Unionism should be discussed as matters of public interest in the same way as the views and discoveries of scientists are discussed at the annual meetings of the British Association for the Advancement of Science. This latter function, however, was very soon subordinated to the function filled by the Congress from its earliest years, of concentrating Trade Union views on public questions, and giving effect to them especially where parlia-

mentary discussion or the action of governments arose. For many years the Executive of the Congress, now known as the General Council, was called the Parliamentary Committee. As the name implied, its duties mainly were to watch legislation affecting the workers, and to bring the influence of the Unions to bear upon Parliament and the Government by means of deputations. With the advent of the Labour Party, the child of the Trades Union Congress, the purely political work of the Trade Unions underwent a transformation. The Congress concentrated its attention more and more upon industrial matters, and entered upon the task of co-ordinating the common action of the Trade Unions through a centralised leadership.

The need for such co-ordination and leadership was met before Congress was established by more or less *ad hoc* bodies loosely resembling it—for instance, the National Association of United Trades for the Protection of Labour, created in 1845, the Trade Union Conference of 1864, the United Kingdom Alliance of Organised Trades in 1866, the Conference of Amalgamated Trades in 1867. But it was the Congress, convoked for the first time in 1868, which achieved permanence and continuity of purpose. These Standing Orders show how an increasing burden of responsibility and an ever enlarging measure of authority, have been placed by the Unions in Congress upon its General Council.

In its composition the General Council reflects the grouping of trades described above. It consists of 32 members, nominated by the Unions in the several groups, and elected annually by the ballot vote of the entire Congress. Each group of Unions is entitled to a prescribed representation on the Council; and those Unions with women members in their organisation have, in addition, the right to nominate one woman member for the Council. Provision is made in Congress Standing Orders to enable the General Council to adjust the representation of the groups in accordance with increases or decreases of member-

ship among the Unions; without, however, changing the total of 32 members on the Council. As it is laid down that no person can serve as delegate at Congress who is not either actually working at his (or her) trade, or is a permanent paid working official of an affiliated Trade Union, it follows that every member of the General Council must possess these qualifications; but in actual practice the members of the General Council have been invariably full time officials of their Union, and mostly General Secretaries (in some cases Presidents) of Unions. One reason for this is that the Council meets monthly, but meetings of the Council's sub-committees and standing committees occupy a great deal of time between one monthly meeting and another.

More misunderstandings exist about the political activities of the Trade Unions and their relationships with the Labour Party than about any other aspect of Trade Unionism. One common allegation is that the Unions concern themselves unduly with politics. It is often asserted that the T.U.C. is a political body. A third allegation is that the Labour Party is under the domination of the T.U.C. Alternatively, it is frequently alleged that the Labour Party leads the T.U.C. by the nose.

Such allegations, implying some mischievous connections of the T.U.C. with the Labour Party by which the Trade Unions have been led astray, misrepresent the facts. In the first place, it is a mistake to think that the Unions' concern with politics is the outcome of their association with the Labour Party. The political activities of the Unions antedate the emergence of the Labour Party by many, many years. Even before Trade Unionism ceased to be treated as an unlawful conspiracy, the usual method of workmen's combinations seeking redress of grievances was to petition Parliament. During the whole of the century which saw the progressive liberation of Trade Unions, by a series of statutes which protected them in the

exercise of steadily widening functions, there was no Labour Party to assist them or to intensify their active interest in politics.

Trade Unionism secured its own representation in Parliament as soon as the wider parliamentary franchise, conferred upon the urban boroughs by the Reform Act of 1867, gave working class candidates the smallest chance of success. There was a homogeneous group of nearly a dozen trade unionists in the House of Commons a score of years before the Labour Party was founded. This group, which stubbornly refused to regard itself as a separate party, or even as the nucleus of one, was composed entirely of officers of Unions; most of them were members at various times of the T.U.C. Parliamentary Committee (as the T.U.C. General Council was then named); several of them served at different periods in the secretaryship of the Trades Union Congress; three of them held ministerial appointments under Liberal Prime Ministers—and one of the three entered a Liberal Cabinet just at the moment when the Labour Party announced its appearance as a separate and independent working class party.

In the second place, the political activities of Trade Unions are more rigorously controlled by law than any other of their activities. There has been more legislative interference with the freedom of action of Trade Unions in politics than with the political freedom of other voluntary associations of citizens. The political rights of trade unionists, as such, are, in fact, deliberately restricted by Acts of Parliament. Under the Acts of 1913 and 1927, Trade Unions cannot engage in political activities until a ballot of their members authorises by a majority the addition of a legally limited class of political objects to their other objects; only the contributions made by members to a separate political fund can be spent upon these prescribed political objects, and no others; and no member can be required to contribute to the political fund as a condition of

membership but, on the contrary, unless members individually and in writing, give notice of their intention to contribute to the political fund they are deemed to be exempt from the obligation to contribute.

No such disabilities and difficulties affect the political action of other voluntary associations, or their relations with the political parties they choose to support. Members of employers' organisations—if they are not Trade Unions within the meaning of the Acts—trading associations, even co-operative societies, can use general funds for political purposes, including financial assistance to parliamentary candidates or political parties, without going through the tiresome and obstructive formalities which restrict the political action of Trade Unions. Legal snares and pitfalls beset the path only of those trade unionists who perceive the increasingly rapid obliteration of the dividing line between politics and economics, and who understand the historically conditioned relationships of the Labour Party with the Trade Union movement; if they want to be politically active, *as trade unionists*, and want to see their Union playing an effective part in politics, they must go to a considerable amount of trouble individually and collectively to get around the obstacles which the jealousy of the older parties and the class antagonisms they represent have placed in their way.

The mere existence of a Labour Party as a separate organisation disposes, of course, of the suggestion that the T.U.C. is itself a political body. For more than half its lifetime, the Congress, through the old Parliamentary Committee, concentrated and applied the political influence of the Unions, mainly by way of deputation to Ministers or Government departments, and by making public its views on public questions affecting the Unions or the interests of the workers. Through the General Council, the Congress still participates in politics to this extent. But such participation no more makes the T.U.C. a political

body than the adoption of a resolution on public morals and its presentation to Ministers by deputation makes an assembly of churchmen a political body. The T.U.C., by standing orders and settled procedure, leaves politics to the Labour Party. No person, however prominent in politics and Trade Unionism, can be a member of the T.U.C. General Council and the National Executive of the Labour Party at one and the same time. No member of the Labour Party, however influential, can be a delegate to Congress unless he is a trade unionist—fraternal delegations excepted. No discussion of industrial matters within the ambit of Congress is permitted at the party Conference. The two national assemblies meet annually, never at the same time and not often in the same centre in any one year; suggestions that they should meet in successive weeks in the same centre have often been made but never acted upon. In numerous other ways the separateness and independence of the two bodies have been emphasised.

There are, it is true, certain joint services maintained by the T.U.C. and the Labour Party at their headquarters; these are purely a matter of mutual convenience, economy and utility, and care is taken that one side does not invade the province of the other. More important is the machinery of joint consultation and co-ordination embodied in the National Council of Labour. On it, not only the T.U.C. General Council and the National Executive of the Labour Party are represented, but also the Parliamentary Labour Party. It is not an administrative body. It has no executive authority. It exists for purposes of consultation and mutual information concerning the industrial, political, and parliamentary activities of the Labour movement, and it endeavours to co-ordinate these activities on the basis of the common principles which unify and direct the movement's actions. The Council meets monthly, usually on the day before the regular monthly meetings of the T.U.C. General Council and the National Executive of the party; but

special meetings are called if need arises. The composition of the Council is such that industrial, political, and parliamentary representation is equally balanced; so far from one side trying to dominate and dictate policy, the whole effort of the Council is to find and act upon the greatest common measure of agreement, by the method of counsel and consent.

Machinery alone cannot guarantee the party's immunity from T.U.C. "dictation." Neither can it prevent the party leading the T.U.C. by the nose. But for nearly forty years the T.U.C. and the Labour Party have worked side by side—and the causes and occasions of friction have been astonishingly few and far between. The history of political parties in general offers no such example of a common will and continuity of purpose as the relationships of the Labour Party and the T.U.C. have revealed throughout the long period in which they have endured. Many attempts have been made, not all of them from outside, to break that solidarity. But the movement only splinters at its edges; its heart has never been riven with the sharpest of wedges and the heaviest of hammer blows.

The form of organisation which the statesmanship of the Labour movement has adopted in building up simultaneously and side by side an industrial and a political machine to serve the same fundamental aim and purpose presents some aspects of confusion and contradiction to those who look at it from outside. Why, for instance, are there 216 Unions affiliated to the T.U.C. and apparently no more than 73 affiliated to the Labour Party? Why are there, on the latest figures, 4,460,617 trade unionists represented in Congress, and no more than 2,056,000 in the Trade Union affiliations of the Labour Party?

The explanation lies partly in the fact that affiliations to the Labour Party are made on a different basis from those of the Trades Union Congress; and partly in the effect of the "contracting in" arrangements of the 1927 Act. In the party's list of affiliated Unions, a single federative organisation (e.g. the

United Textile Factory Workers' Association) appears as one Union; but it covers actually eight separate sections of the industry, with a total representation of 182 Unions. Single Unions and associations of Unions figure to different numerical totals in the lists of the party and the T.U.C.

As for the discrepancy between the aggregate affiliated membership of the T.U.C. as compared with that of the party, it will be understood that no Union can pay affiliation fees to the party except in respect of its "contracted in" members; its political fund would not long stand the strain of paying affiliation fees for the entire membership if only half of its members have signified in the prescribed form their intention of supporting the political fund. More than one Union has made generous contributions to the party funds by way of donations from their political reserves; but it must be remembered that Union political funds bear other charges in addition to the affiliation fees payable to the party in respect of "contracted in" members. The average political contribution of trade unionists is about a shilling a year. Fourpence per member is payable each year to the party. The remainder, apart from prudent additions to reserves, goes in financing the Union's own political activities which include in very many cases, financial assistance to local parties, the maintenance of constituency organisation, election expenses, and the supplementing of parliamentary salaries of Union representatives who enter the House of Commons; not to mention the expenditure on political meetings, literature, and propaganda which individual Unions feel it their duty to carry on in the interests of the movement as a whole.

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PART V

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I.

A COMPARISON OF THE AMERICAN AND
BRITISH SYSTEMS OF INDUSTRIAL
AND LABOR RELATIONS

By Mr. JOHN P. FREY,
*President of the Metal Trades Department of the
American Federation of Labor, Washington, D. C.*

THE Metal Trades Department of the American Federation of Labor includes all of the national and international unions of metal workers affiliated with the American Federation of Labor, representing approximately eight hundred thousand members.

In 1896, I became president and organizer of the Molders Local Union in Worcester, Massachusetts; in 1896, I was made a vice-president of the International Union; in 1900, I became editor of the organization's official publication in connection with my other executive duties in 1903. I held that executive position until 1927, when I became Secretary of the Metal Trades Department and became President of the Department in 1934.

In that interval I held many other incidental trade union positions, including the presidency of the Ohio State Federation of Labor for four years. At twenty-two conventions of the American Federation of Labor, I served as secretary of the Committee on Resolutions, which is the policy committee of the conventions. I have represented the American Federation of Labor officially in Europe and in Mexico.

From the beginning, I have been a member of the Federa-

tion's only permanent committee, the Committee on Education.

Because of my interest and practical activity in industrial and labor relations in the United States, I made a study of conditions in England.

I have visited England numerous times since 1909, sometimes officially, more frequently unofficially, for the purpose of contacting the trade union officials with whom I was acquainted and with the object of learning as much as possible relative to the type of problem which European and, particularly, British trade unions were dealing with, their policy, their experiences and the results which have followed their adaptation of the legislative and joint-conference efforts in the industrial field.

I have observed in my various official positions the great social loss incident to lack of industrial harmony in the United States and in other countries. I have been impressed by the greater degree of industrial friction as it affects both labor and management in this country in contrast with the British experience.

Those losses which I have observed fall heavily on both the employers and the workers as well as society. All three are affected.

I have tried to discover the reasons why there was less friction between organized labor and management in Great Britain than in the United States, and I have arrived at the following conclusion relative to the things that contribute to the harmonious conditions in Great Britain.

There are several reasons for this harmony. One, the fact that the British people have a continuous tradition for over a thousand years; they speak a common language and their territory is more compact.

Another is that British employers for a generation or more have accepted trade unionism as a definite part of the industrial system. This does not mean that there are not differences be-

tween the trade unions and the individual and organized employers, but it does mean that what has been a major problem in many American industries, the interference with the right to organize, is not a part of the British industrial and social problem, for there, management believes it advantageous to deal with organized labor and the responsible leadership which that recognition develops in the Trade Union movement.

Relative to this responsible leadership, British workmen are as desirous of industrial peace as those in any other industrial country. As the employers' attitude changed to frank, open dealing with trade unions, the conflict over the right to organize diminished. Trade unionists endeavored to select officers who were competent to negotiate with the employers, and who developed the ability of working out through conferences with employers those questions which otherwise might have led to industrial rupture.

The changed attitude of employers led several British unions to set up, in principle, Civil Service examinations so that the unions' executive council, when filling vacancies, selected from the list of those whose examinations indicated that practical experience, knowledge of the industry and the acquaintance with collective bargaining which equipped them for their work.

British trade union officials have not faced the problem of opposition to trade unionism or discrimination against workmen because of their membership. The energies of the trade union representatives are not given over to self-defense or protection of their members; instead, they are able to devote all of their time to executive responsibility, the negotiating of agreements and the adjustment of whatever disputes arise under the operation of those agreements.

As a result, trade union officials are able to apply their energies to, and accomplish results which would be impossible if the employers' attitude towards the right to organize was somewhat as we find it in certain industries in our country.

Where two countries are in competition for foreign trade and one of them recognizes the right to organize and another doesn't, the efficiency of production will give the one the advantage over the other.

Unquestionably, where workmen are not disturbed by any fear of opposition to their being organized, they are in a much better condition mentally to produce satisfactorily. The fear of discrimination or discharge because of trade union membership cannot help but affect a workman's output.

The British legislative effort to deal with industrial problems differed materially from that in the United States. There is this decided difference. Nothing like the Wagner Act would be conceived in Great Britain for there exists *no necessity to protect* the workmen's right to trade union organization. Because of *helpful* acts of Parliament, nothing similar to our Wages-Hours Bill is necessary.

It is true that there are problems which have developed in the employer-employee relationship in Great Britain, which made legislation necessary, but this legislation is of an entirely different character from that which has been necessary in our country. Here the Congress and State legislatures enact legislation establishing minimum terms of employment, then find it necessary to appoint administrative authorities to enforce the law.

In Great Britain, Parliament has enacted legislation which largely transfers to employers and the trade unions the responsibility for working out terms of employment. Parliament authorizes through legislative enactment the establishing of employer-employee bodies, whose responsibility it is to work out this problem.

In Great Britain there are three separate and distinct agencies, through which Parliament has assisted instead of directed industry.

As employers and employees cannot always reach acceptable

conclusions, Parliament set up the National Industrial Court, a judicial body to whom employers and employees have equal access. This Court considers questions in dispute affecting a handful of men; it also covers such large questions as that of wages for all of the railroad employees when negotiations between the railway unions and the railway companies have broken down. This Court makes definite awards covering hours of labor and rates of wage, but it has no enforcement machinery. It cannot go to any other judicial or administrative body for the enforcement of its decisions. But, because of the employers' frank recognition of the rights of labor to organize and to bargain collectively with employers, and the employers' recognition that in the end it must also deal with labor, public opinion plus the attitude of other organizations of employers and of the trade unionists in general, without exception leads both parties to accept the decisions of the National Industrial Court and be governed by them.

Many years ago, Parliament created what was known as the Whitley Commission to study methods of collective bargaining and ways and means by which employers and the unions could reach an adjustment on questions of employment without a rupture of friendly relations. The Whitley Commission's report was approved by Parliament. As a result, what are known as Whitley Councils are set up by industry and the unions.

The formation of a Whitley Council is a voluntary act by both groups. There is no element of compulsion under the Parliamentary approval of the Whitley Commission's report. What Parliament actually did was to give its approval to a method by which disputes not directly adjusted between employers and employees could be taken up by the Councils for adjudication. The Councils are elastic. They may cover merely the employees of one employer; they may cover a group of employers and their employees in a district; or, they

may be national so far as a particular industry is concerned. The decisions of these Whitley Councils are carried into effect for the same reasons that the decisions of the National Industrial Court are observed.

The third method approved by Parliament was the setting up of trade boards through the Ministry of Labour. These trade boards were intended principally to cover the lower paid industries, the wage earners of which, because of the character of the industry, are not well organized. The Ministry of Labour is authorized, upon the joint request of the employers and employees in an industry, or upon the request of either group, or without any request, provided in his opinion an industry should be covered by a Board to authorize the creation of a Board; the Minister of Labour publishes the fact that a Board is to be established, sufficient time being given for both employers and employees in the industry to make any statement they desire to the Minister.

The Ministry eventually approves the setting up of the Board, naming three so-called neutrals, one of whom is designated as Chairman; to these are added an equal number from both the management and the employees. Their first responsibility is to recommend certain minimum wage rates and maximum hours of labor. In their effort they are assisted by the representatives of the Ministry of Labour, who supplies them with all available statistics and other data relative to the industry, the home and the export markets. These Government representatives are not permitted to go farther than the submission of pertinent data.

Eventually, the Board recommends that certain minimum wage rates and maximum hours be established. After the Board's recommendation is made and published by the Ministry of Labour, time is given so that the Ministry may hear from either management, labour or both, but all representations must be made in writing. This provision prevents those

lengthy and violently partisan presentations which occasionally accompany a hearing of an industrial dispute in the United States. When the Ministry of Labour approves the Board's recommendations, the minimum wage rates and the hours of labor provided have the same effect as though they had been enacted by Parliament. They become the enforceable law for the industry for which the Board was established.

In connection with these three methods for adjusting and regulating terms of employment, which have been approved and established by the British Parliament, there is one feature to be kept in mind. Regardless of decisions which may be made by the National Industrial Court, the Whitley Councils or the Trade Boards, there is nothing in the law or in the policy of the Government which prevents the workers affected from going out on strike. In other words, there is no compulsory labor under conditions which the workers themselves are unwilling to accept, but the fact stands out that strikes do not take place because the method set up by Parliament in each instance is of so democratic a character that the workers feel that they have had a full hearing, every opportunity to present their case, and because they fear no discrimination because of their trade union membership, and because they discover no bias on the part of any of the three methods which Parliament has approved, because there is confidence in the integrity of the representatives of both groups, each in the other and both in the non-partisan political attitude of the Government in these questions, labor as well as management feel that whatever decisions are made are a result of the facts presented rather than the result of undue or coercive influence.

Proof of this is found in the twenty-year record of the National Industrial Court. During this period over seventeen hundred cases have been heard and decisions handed down. With the exception of four, the Court's decision was unani-

mously approved. In these four cases, the questions in dispute did not lead to a stoppage of work.

The question might be asked: "Is there anything in the industrial experience in the United States which parallels that of Great Britain?" The industrial friction which flares up so prominently in our country has been due principally to the employers' opposition to the acceptance of trade unionism as a definite part of our industrial system. It has been due to the employers' opposition to the existence of trade unions in the plant, on the one hand, and an unwillingness to freely meet the representatives of the organized employees around the conference table.

There are innumerable experiences in our American industries indicating that a frank recognition of labor's right to organize is followed by the setting up of joint relations, which, covering a long period of time, work to the adjustment of all problems affecting the relationship of employer and employee.

In 1891, after active industrial warfare following the close of the Civil War, the Stove Founders National Defense Association and the International Molders in North America, entered into an agreement covering all of the members of the Association and all of the members of the Molders Union they employed. This agreement is still in existence, functioning satisfactorily. For a period of forty-seven years it has prevented both strikes and lock-outs in an industry which was notorious for its industrial conflicts before 1891. It has successfully taken up and adjusted the problem created by the introduction of machinery to replace hand labor. It has developed a sense of mutual obligation which, in effect, establishes a parliament for the industry, when the representatives of both associations meet annually to determine wages, shop regulations and policy for the coming year.

Many other international unions and national associations have entered into agreements since 1891, largely of the same

character. The comparison between such agreements and industrial relations in Great Britain is that in both instances there is a complete recognition and acceptance by the employers, not only of labor's right to organize, but of the necessity for such organization, so that problems entirely aside from those of the immediate relationship to the employee and the employer in the shop can be jointly discussed and a program adopted which can be jointly carried into effect to their mutual benefit and to the great advantage of society as a whole.

In Great Britain, the official representatives of the Trade Union Congress and Council and the National Federation of Employers organizations have set up joint machinery for the mutual consideration of industrial and labor problems. Such an agency in our own country would be beneficial.

The experience of the stove manufacturers and molders and of employers of organized employees in a number of other organized industries is evidence that should this principle be carried out by other national associations of employers, industry and labor would be able to solve those problems which are now made subject to congressional legislation, and the friction and bitterness created because of a belief by either side that administrative agencies of the Government are biased.

It is outstandingly evident that unless management and labor can jointly work out the employer-employee relationship, there must be legislation and enforcement, legislation frequently framed by those who have had no practical experience in industry; enforcement by those who are equally without practical experience. A visit to any Committee room in a State Legislature or in Congress makes it evident that a majority of the committee are lawyers, farmers or professional men. They listen to the frequently acrimonious presentation made by representatives of management and also of labor.

Lacking a practical industrial experience, it is not surprising that legislation is enacted at times which, instead of setting up

machinery for the establishing of better relations, in reality fires one or the other group with a determination to oppose both the legislation and the enforcement. A bargain reached between management and labor as to terms of employment carries with it an entirely different mental attitude than obedience to legislation enacted, to which either of the parties in industry is opposed.

The perpetuation of our political democracy depends very fundamentally upon a greater democracy in industrial and labor relations. We cannot enjoy free religious and free political institutions and long continue a condition where industry is without the same freedom. The American's right to worship in any church of his choosing, or in none, his right to membership in any political party or to organize new ones, is, in principle, identical with the employer's right to organize. Labor recognizes that employers without organization would be helpless to protect their interests in domestic and in world markets. Unorganized industry would be unable to make adequate presentation to Congress concerning legislation which was required. How utterly indefensible a position it is for employers, enjoying to the full the American right to organize for their self-protection, to deny a similar right to their employees.

There are features in the British industrial picture which would be beneficial for the United States. The industrial development and the industrial relations evolved in England are so different in some respects from our own that I would be unwilling to recommend our adoption of any *specific* instrumentality set up by the British Parliament. The *principles* evolved, however, deserve every consideration. They are not theories; they have not been evolved by theorists, but are the result of the presentations made, by men of practical experience in industry and labor, to Parliament, and the desire of Parlia-

ment to assist management and labor rather than to control and direct it.

Experience has shown that State and National legislation is necessary, but of far greater importance than this is the attitude of employers and workmen towards each other and towards the methods which they adopt for the adjustment of their problems. They must be jointly worked out instead of being surrendered to legislative enactment.

It is obvious that legislation cannot make men honest; legislation cannot make men tolerant; legislation cannot establish friendship. These all-important elements in society as well as in *industry* can only be developed by human beings through their contact with each other and their willingness to observe certain rules which include full, free recognition of *equality of rights* and equality of opportunities, coupled with a recognition of the fact that for every right and every opportunity Americans enjoy, there must be an equal responsibility, an equal obligation.

The great benefit we can derive from the past is experience. Our country is now facing problems of a national character, which must be solved, if we are to carry out our high purpose. They cannot be solved by any one group acting singly and imposed upon other people. The solution must come through the willingness of Americans, both employers and employees, to jointly work out those problems arising from the industrial relationship. They are by far the most competent to do so. They are by far the most competent, when legislation does become necessary, to prepare the structure and the substance of such legislation. If industry and labor leave this legislative task to others, then we approach that dangerous form of government which has reared its head in Europe and destroyed democratic institutions.

Unfortunately, there is a division in the ranks of American labor at this time. There is a dual organization to the Amer-

ican Federation of Labor. Of this I am positive: had American industry indicated the same willingness to deal with organized labor which has been shown in Great Britain, the division would never have occurred.

American labor is opposed to revolution and revolutionary methods; it is opposed to being bound by any political party. It still has an abiding faith in the virtue of free American institutions. But labor has its problems, *principally created by those employers* who still actively oppose the right of their employees to organize, who, as members of employers' associations, use the skill of their legal staffs in devising ways and means by which to prevent their employees from enjoying the same right which they have exercised, the right to organization for self-protection.

It is not surprising, in view of this, that there should come divisions over questions of policy in the ranks of labor. Nothing would tend more to bring organized labor into a united family than to have American industry as a whole assume the same attitude towards organization of labor, which has been shown for several generations by the employers in Great Britain.

2.

EDITORS' CONCLUSION

In conclusion the editors believe they have presented a good cross-section of British industrial and labor adjusting mechanism in a practical manner. The men and women who have collaborated in these pages have first hand practical knowledge of the problems of which they have written. These presentations are comprehensive, practical and most authoritative. In bringing this work to a conclusion we can do no better than quote from the previously mentioned Balfour Report, page 53, "Nevertheless, while fully realizing the limitations of the present survey, the Committee believe that the impartial ascertainment and publication of authoritative data on certain essential aspects of Industrial relations in Great Britain will not only be of value to a large number of persons who desire a trustworthy book of reference, but will also conduce toward the better understanding of present-day economic problems, both by limiting the field of controversy, and by facilitating and clarifying discussion."—The Editors.

PART VI

APPENDIX I.
THE WHITLEY REPORT.

Report Of The Reconstruction Committee On Relations Between
Employers and Employed. 1917.

To the Right Honourable D. Lloyd George, M.P., Prime Minister.
Sir,

We have the honour to submit the following Interim Report on
Joint Standing Industrial Councils.

2. The terms of reference to the Sub-Committee are:

(i) To make and consider suggestions for securing a permanent improvement in the relations between employers and workmen.

(ii) To recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned, with a view to improving conditions in the future.

5. In the interests of the community it is vital that after the war the co-operation of all classes, established during the war, should continue, and more especially with regard to the relations between employers and employed. For securing improvement in the latter, it is essential that any proposals put forward should offer to workpeople the means of attaining improved conditions of employment and a higher standard of comfort generally, and involve the enlistment of their active and continuous co-operation in the promotion of industry.

To this end, the establishment for each industry of an organisation, representative of employers and workpeople, to have as its object the regular consideration of matters affecting the progress and well-being of the trade from the point of view of all those engaged in it, so far as this is consistent with the general interest of the community, appears to us necessary.

7. With a view to providing means for carrying out the policy outlined above, we recommend that His Majesty's Government should propose without delay to the various associations of employers and employed the formation of Joint Standing Industrial Councils in the several industries, where they do not already exist, composed of representatives of employers and employed, regard being paid to the various sections of the industry and the various classes of labour engaged.

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13. In the well-organised industries, one of the first questions to be considered should be the establishment of local and works organisations to supplement and make more effective the work of the central bodies. It is not enough to secure co-operation at the centre between the national organisations; it is equally necessary to enlist the activity and support of employers and employed in the districts and in individual establishments. The National Industrial Council should not be regarded as complete in itself; what is needed is a triple organisation—in the workshops, the districts, and nationally. Moreover, it is essential that the organisation at each of these three stages should proceed on a common principle, and that the greatest measure of common action between them should be secured.

14. With this end in view, we are of opinion that the following proposals should be laid before the National Industrial Councils:

(a) That District Councils, representative of the Trade Unions and of the Employers' Association in the industry, should be created, or developed out of the existing machinery for negotiation in the various trades.

(b) That Works Committees, representative of the management and of the workers employed, should be instituted in particular works to act in close co-operation with the district and national machinery.

As it is of the highest importance that the scheme making provision for these Committees should be such as to secure the support of the Trade Unions and Employers' Associations concerned, its design should be a matter for agreement between these organisations.

Just as regular meetings and continuity of co-operation are essential in the case of the National Industrial Councils, so they seem to be necessary in the case of the district and works organisations. The object is to secure co-operation by granting to workpeople a greater share in the

consideration of matters affecting their industry, and this can only be achieved by keeping employers and workpeople in constant touch.

15. The respective functions of Works Committees, District Councils, and National Councils will no doubt require to be determined separately in accordance with the varying conditions of different industries. Care will need to be taken in each case to delimit accurately their respective functions, in order to avoid overlapping and resulting friction. For instance, where conditions of employment are determined by national agreements, the District Councils or Works Committees should not be allowed to contract out of conditions so laid down, nor, where conditions are determined by local agreements, should such power be allowed to Works Committees.

16. Among the questions with which it is suggested that the National Councils should deal or allocate to District Councils or Works Committees the following may be selected for special mention:

(i) The better utilisation of the practical knowledge and experience of the workpeople.

(ii) Means for securing to the workpeople a greater share in and responsibility for the determination and observance of the conditions under which their work is carried on.

(iii) The settlement of the general principles governing the conditions of employment, including the methods of fixing, paying, and readjusting wages, having regard to the need for securing to the workpeople a share in the increased prosperity of the industry.

(iv) The establishment of regular methods of negotiation for issues arising between employers and workpeople, with a view both to the prevention of differences, and to their better adjustment when they appear.

(v) Means of ensuring to the workpeople the greatest possible security of earnings and employment, without undue restriction upon change of occupation or employer.

(vi) Methods of fixing and adjusting earnings, piecework prices, etc., and of dealing with the many difficulties which arise with regard to the method and amount of payment apart from the fixing of general standard rates, which are already covered by paragraph (iii).

(vii) Technical education and training.

(viii) Industrial research and the full utilisation of its results.

(ix) The provision of facilities for the full consideration and utilisation of inventions and improvements designed by workpeople,

and for the adequate safeguarding of the rights of the designers of such improvements.

(x) Improvements of processes, machinery and organisation and appropriate questions relating to management and the examination of industrial experiments, with special reference to co-operation in carrying new ideas into effect and full consideration of the workpeople's point of view in relation to them.

(xi) Proposed legislation affecting the industry.

17. The methods by which the functions of the proposed Councils should be correlated to those of joint bodies in the different districts, and in the various works within the district, must necessarily vary according to the trade. It may, therefore, be the best policy to leave it to the trades themselves to formulate schemes suitable to their special circumstances, it being understood that it is essential to secure in each industry the fullest measure of co-operation between employers and employed, both generally, through district Committees and workshop Committees:

21. It appears to us that it may be desirable at some later stage for the State to give the sanction of law to agreements made by the Councils, but the initiative in this direction should come from the Councils themselves.

23. It may be desirable to state here our considered opinion that an essential condition of securing a permanent improvement in the relations between employers and employed is that there should be adequate organisation on the part of both employers and workpeople. The proposals outlined for joint co-operation throughout the several industries depend for their ultimate success upon there being such organisation on both sides; and such organisation is necessary also to provide means whereby the arrangements and agreements made for the industry may be effectively carried out.

24. We have thought it well to refrain from making suggestions or offering opinions with regard to such matters as profit-sharing, co-partnership, or particular systems of wages, etc. It would be impracticable for us to make any useful general recommendations on such matters, having regard to the varying conditions in different trades. We are convinced, moreover, that a permanent improvement in the relations

between employers and employed must be founded upon something other than a cash basis. What is wanted is that the workpeople should have a greater opportunity of participating in the discussion about the adjustment of those parts of industry by which they are most affected.

26. We venture to hope that representative men in each industry, with pride in their calling and care for its place as a contributor to the national well-being, will come together in the manner here suggested, and apply themselves to promoting industrial harmony and efficiency and removing the obstacles that have hitherto stood in the way.

(Signed by Mr. J. H. Whitley and twelve others,
in addition to the Secretaries.)

8th March, 1917.

Milne-Bailey, *Trade Union Documents*, page 487.

APPENDIX II.

THE PRIME MINISTER ON TRADE UNIONS AND EMPLOYERS' ASSOCIATIONS.

Mr. Baldwin in the House of Commons. Parl. Deb., 6th March, 1925.

Now, if you look at an employers' organisation for a moment—and we will assume that it has come into being to protect the industry in the world market—we cannot lose sight of the fact that in that organisation, just as much as in the men's organisation, the mere fact of organising involves a certain amount of sacrifice of personal liberty. That cannot be helped. Everybody knows that perfectly well, both employers and employees.

To a certain extent both these organisations must on one side be uneconomic. A trade union is uneconomic in one sense of the word when it restricts output, and when it levels down the work to a lower level. It is an association for the protection of the weaker men, which has often proved uneconomic. Exactly the same thing happens in the employers' organisation. Primarily it is protective, but in effect it is very often uneconomic, because it keeps in existence works which, if left to the process of competition, would be squeezed out, and whose prolonged existence is really only a weakness to the country. It has also another very curious effect, not at all dissimilar from that of the trade union reaction, which shows that both those organisations are instinct with English traditions.

The workmen's organisation is formed to see that under the conditions a workman cannot get his living in a particular trade unless he belong to that union. An employers' organisation is formed in that particular trade for the protection of the trade, and it has the result of effectively preventing any new man starting in that trade. . . . The whole tradition of our country has been to let Englishmen develop their own associations in their own way, and with that I agree. But there are limits to that. . . . As these associations come along, and become more powerful, on whichever side they are, there may come a time when not only they may injure their own members—about which probably there would be a good deal of argument—but when they may

directly injure the State. It is at that moment any Government should say that, whatever freedom and latitude in that field may be left to any kind of association in this free country, nothing shall be done which shall injure the State, which is the concern of all of us and far greater than all of us or of our interests. . . .

There are few men fitted to judge, to settle and to arrange the problem that distracts the country to-day, between employers and employed. There are few men qualified to intervene who have not themselves been right through the mill, who themselves know exactly the points where the shoe pinches, who know exactly what can be conceded and what cannot, who can make their reasons plain; and I hope that we shall always find such men trying to steer their respective ships side by side, instead of making for head-on collisions. . . .

Although I know that there are those who work for different ends from most of us in this House, yet there are many in all ranks and all parties who will re-echo my prayer: 'Give peace in our time, O Lord.'

Milne-Bailey, *Trade Union Documents*, page 457.

APPENDIX III.

OFFICIAL RECOGNITION OF JOINT INDUSTRIAL COUNCILS (WHITLEY COUNCILS).

Extract From Letter Addressed By The Minister Of Labour To The
Leading Employers' Associations And Trade Unions,
Regarding the Report of the Whitley Committee,
20th October, 1917.

In order, therefore, that the Councils may be able to fulfil the duties which they will be asked to undertake, and that they may have the requisite status for doing so, the Government desire it to be understood that the Councils will be recognised as the official standing Consultative Committees to the Government on all future questions affecting the industries which they represent, and that they will be the normal channel through which the opinion and experience of an industry will be sought on all questions with which the industry is concerned. It will be seen, therefore, that it is intended that Industrial Councils should play a definite and permanent part in the economic life of the country, and the Government feels that it can rely on both employers and workmen to co-operate in order to make that part a worthy one.

Milne-Bailey, *Trade Union Documents*, page 495.

APPENDIX IV.

JOINT INDUSTRIAL COUNCILS (WHITLEY COUNCILS) TO BE BASED ON TRADE UNIONS AND EMPLOYERS' ASSOCIATIONS.

Extract From Letter Addressed By The Minister of Labour To The
Leading Employers' Associations And Trade Unions,
Regarding the Report of the Whitley Committee,
20th October, 1917.

Thirdly, it should be made clear that representation on the Industrial Councils is intended to be on the basis of existing organisations among employers and workmen concerned in each industry, although it will, of course, be open to the Councils, when formed, to grant representation to any new bodies which may come into existence and which may be entitled to representation. The authority, and consequently the usefulness of the Councils will depend entirely on the extent to which they represent the different interests and enjoy the whole-hearted support of the existing organisations, and it is therefore desirable that representation should be determined on as broad a basis as possible.

Milne-Bailey, *Trade Union Documents*, page 496.

APPENDIX V.

TOBACCO TRADE BOARD.

Constitution:

18 representatives of Employers, nominated by their Trade Organisations, including the Tobacco Section of the London Chamber of Commerce.

18 representatives of Employees, nominated by the Trade Union.
Chairman and 2 other independent members appointed by the Ministry of Labour.

Powers:

To fix

Minimum rates of wages generally and for different classes of workers (manual) in the trade.

Overtime rates.

Minimum piece rates.

Number of hours to be worked per week.

Administration:

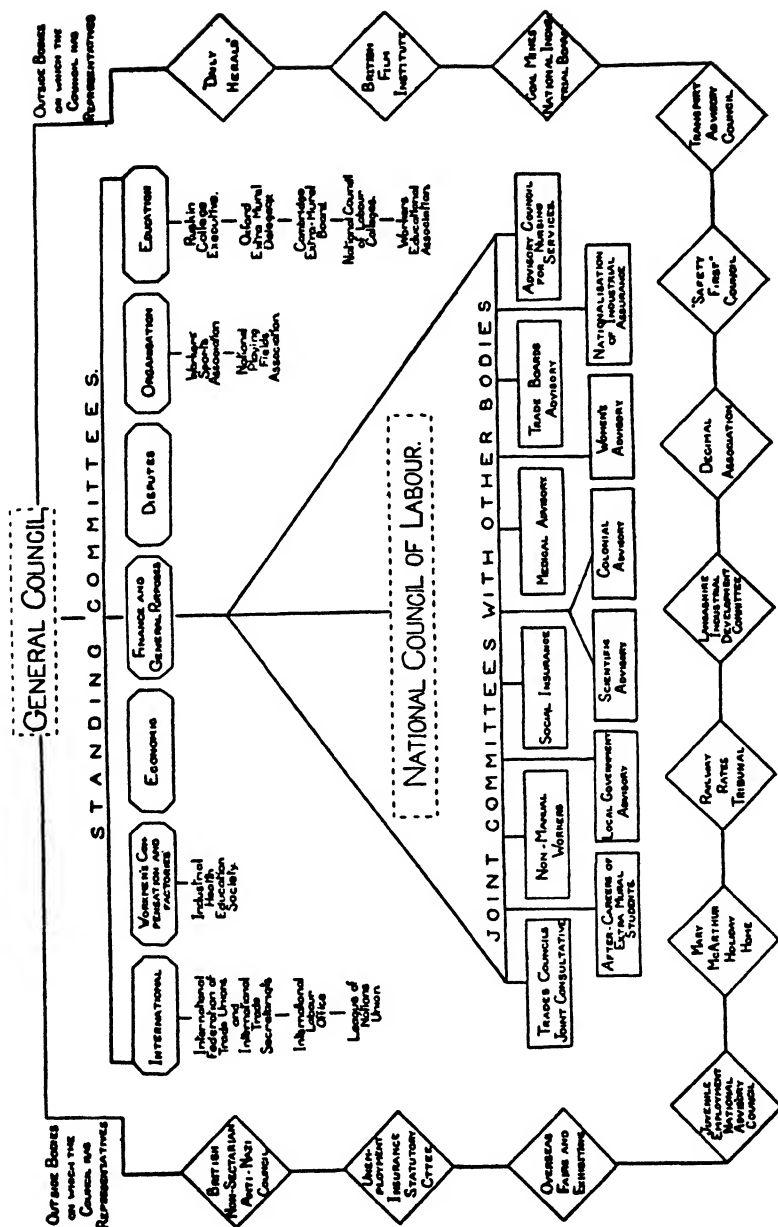
The Secretary of the Board is "The Secretary of Trade Boards" who, as his title suggests, acts for all Trade Boards set up under the acts.

The offices and staff are at the Ministry of Labour.

Meetings are convened by the Secretary of Trade Boards at the request of either side to discuss applications by either side to vary the rates of wages or hours of work.

In the event of disagreement, the decision rests with the Chairman and the two other independent members.

APPENDIX VI.



From *Seventy Years of Trade Unionism, 1868-1938*. Trades Union Congress. London, 1938.

APPENDIX VII.

FACTS ABOUT THE TRADES UNION CONGRESS.*

- (1) Congress is a voluntary organisation formed in 1868, and now consists of 214 affiliated Unions.
- (2) It meets for one week in every year, commencing on the first Monday in September.
- (3) Its affiliated membership at the end of 1937 was 4,460,000 members.
- (4) Unions pay an affiliation fee of $2\frac{1}{2}d.$ per member per annum. In addition they pay an amount not exceeding 15s. per 1,000 members to Congress for remission to the International Federation of Trade Unions.
- (5) Congress meets in a different town every year. The place of meeting is usually decided by the General Council upon proposals made by the affiliated Unions.
- (6) Unions appoint delegates up to a maximum of one delegate for every 5,000 members or part thereof.
- (7) Congress discusses a wide range of subjects of an industrial, economic and political character affecting Trade Unions in both national and international spheres.
- (8) Its Agenda consists of a report submitted by the General Council, and of resolutions forwarded by the affiliated Unions.
- (9) The report and resolutions are usually forwarded to delegates fourteen days prior to the opening of the Congress.
- (10) Voting may be by voice or show of hands, but on all principal issues the normal procedure is to vote by card. Each Union is entitled to

* From *Seventy Years of Trade Unionism, 1868-1938*. Trades Union Congress. London, 1938.

one vote for every 1,000 members.

- (11) Resolutions and decisions of the Congress are remitted to the General Council to take whatever action may be necessary, the Council acting as an Executive Committee.
- (12) The General Council is elected by Congress as a whole, the Unions being combined in 17 industrial groups.
- (13) The General Council consists of 30 members elected in this way, and in addition 2 women members.
- (14) Candidates must be nominated by Unions in the Group concerned. Only Unions catering for women members are allowed to nominate for the Women's Group.
- (15) The General Council meets on the fourth Wednesday of every month except in August, when it meets just prior to the opening of the Congress. Special meetings are held as circumstances may necessitate.
- (16) The Council appoints from its own membership a num-

ber of Standing Committees to give detailed consideration to all questions. These Committees submit recommendations to the full Council.

- (17) The main Standing Committees are: Finance and General Purposes, Disputes, Education, Organisation, Social Insurance, International and Economic.
- (18) In addition a number of special and joint Committees with other bodies are appointed.
- (19) On important political questions consultation takes place with the Labour Party through the National Council of Labour, which represents the General Council, the Executive Committee of the Labour Party and the Executive Committee of the Parliamentary Labour Party.
- (20) The Annual Congress is attended by fraternal delegates appointed by such bodies as the International Federation of Trade Unions, the American Federation of Labor, the Canadian Trades and La-

- bour Congress, the Co-operative Congress and the Labour Party. The British T.U.C. reciprocates by sending fraternal delegates each year to the Conferences of these bodies.
- (21) Congress is affiliated to the International Federation of Trade Unions, representing over 20,000,000 Trade Unionists in different countries.
- (22) It preserves friendly relations with the Scottish and Irish Trades Union Congresses, and other Labour organisations.
- (23) The official Minutes of the Annual Congress are recorded by the Secretary of the local Trades Council, whose appointment as Minute Secretary is usually moved by the President of Congress. In addition, the full proceedings are recorded by a staff of shorthand writers.
- (24) The Congress Report generally extends to 500 pages, and is printed within fourteen days of the termination of Congress. It is available for sale usually at the price of 2s. 6d. per copy.
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APPENDIX VIII.

GENERAL COUNCIL OF TRADES UNION CONGRESS, 1937-38.

Sir Walter Citrine, K.B.E., General Sec., Trades Union Congress	Transport House, Smith Square London, S. W. 1
H. V. Tewson, Assistant Secretary	Transport House, Smith Square London, S. W. 1
J. Bell	Amalgamated Weavers' Assn. Weavers' Institute Bartlam Place, Oldham
H. Berry	Amalgamated Engineering Union 110 Peckham Road London, S. E. 15
E. Bevin	Transport and General Workers' Union Transport House, Smith Square London, S. W. 1
J. Brown	Iron and Steel Trades Confederation "Swinton House," 324 Gray's Inn Rd. London, W. C. 1
H. Bullock	National Union of General and Municipal Workers 5 Endsleigh Gardens London, W. C. 1
G. Chester	Boot and Shoe Operators 28 Bedford Square London, W. C. 1
A. Conley	National Union of Tailors and Garment Workers 20 Park Place Leeds
C. Dukes	National Union of General and Municipal Workers 5 Endsleigh Gardens London, W. C. 1
E. Edwards	Mineworkers Federation 50 Russell Square London, W. C. 1
H. H. Elvin	National Union of Clerks and Administrative Workers 40 St. George's Square London, S. W. 1
W. J. Farthing	Transport and General Workers' Union 21 Blacklands Bridgwater, Somerset
A. A. H. Findlay	United Patternmakers' Assn. "Mount Royal," 15 Cleve Rd. West Hampstead, N. W. 6
G. Gibson	Mental Hospital and Institutional Workers 1 Rushford Ave. Levenshulme, Manchester
J. Hallsworth	National Union of Distributive and Allied Workers "Oakley," 122 Wilmslow Rd. Fallowfield, Manchester
Miss F. Hancock	Transport and General Workers' Union Transport Hall, Tailors' Court Broad Street, Bristol
H. N. Harrison	National Union of General and Municipal Workers 5 Endsleigh Gardens London, W. C. 1
G. Hicks, M. P.	Amalgamated Union of Building Trade Workers "The Builders" Crescent Lane, South Side Clapham Common London, S. W. 4

M. Hodgson	Boilermakers and Iron and Steel Shipbuilders	Lifton House Easington Rd. Newcastle-on-Tyne
W. Holmes	National Union of Agricultural Workers	"Headland House" 308 Gray's Inn Rd. London, W. C. 1
G. A. Isaacs	National Society of Operative Printers and Assistants	"Caxton House" 13-16 Borough Rd. St. George's Circus London, S. E. 1
J. Jones	Mineworkers' Federation	Hillcrest 15 Huddersfield Road Barnsley
W. Kean	National Union of Gold, Silver, and Allied Trades	Shrewsbury Chambers 34 Campo Lane Sheffield, 1
W. Lawther	Mineworkers' Federation	1 Red Hill Villas Durham
Miss A. Loughlin	National Union of Tailors and Garment Workers	20 Park Place Leeds
J. Marchbank	National Union of Railwaymen	Unity House Euston Road London, N. W. 1
A. Shaw	National Union of Textile Workers	84 Godwin Street Bradford
W. R. Spence	National Union of Seamen	St. George's Hall Westminster Bridge Rd. London, S. E. 1
W. J. R. Squance	Ass. Soc. of Locomotive Engineers and Firemen	9 Arkwright Rd., Hampstead London, N. W. 3
W. Stott	Railway Clerk's Assn.	25 Euston Rd. London, N. W. 1
G. W. Thomson	Assn. of Engineering and Shipbuilding Draughtsmen	96 St. George's Square London, S. W. 1
F. Wolstencroft	Amalgamated Society of Woodworkers	161 Wilmslow Rd. Withington, Manchester
W. Wood	Bolton Cotton Spinners	77 St. George's Rd. Bolton

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